THE CASE OF:

FOOD PRICE BLACKMAIL

OR: WHO'S BEHIND THE HIGH COST OF EATING

50¢

The authors extend special thanks to the Agribusiness Acountability Project, Washington, D.C. and the Food Action Camapign. We drew much of our information from their excellent research.

To Heather and Laurie. Thanks for rooting for us.

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FOOD PRICE BLACKMAIL

WHO'S BEHIND THE HIGH COST OF EATING

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Graphics by Spain

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LOOK AT THE PRICE OF THIS MEAT. IT'S LIKE BLACKMAIL. WE HAVE TO PAY THESE PRICES OR STARVE.
EGGS ARE A DOLLAR A DOZEN
I HEARD IT'S THE FARMERS WHO ARE FINALLY MAKING IT.
THE MIDDLEMEN MUST BE MAKING A KILLING.
ONE THING'S FOR SURE. THESE PRICE CONTROLS AREN'T DOING US ANY GOOD.
EVERYDAY THERE'S A NEW EXPLAINATION. I DON'T THINK WE ARE BEING TOLD THE TRUTH.
I WANT TO FIND OUT. SOMEONE MUST BE GETTING RICH OUT OF ALL THIS.
LET'S START WITH THE BUTCHER RIGHT HERE. I'VE HEARD HIGH UNION WAGES HAVE HAD A LOT TO DO WITH THESE PRICE RISES, BUT I WANT THE FACTS.
RIGHT! IF WE CAN GET THE FACTS, MAYBE WE'LL HAVE A BETTER IDEA OF WHAT TO DO.
THEY HAVEN'T EVEN GUESSED SOME OF THE BIGGEST THIEVES, BUT CHECKING THE FACTS OUT SHOULD REVEAL ALL THE CROOKS.

"You want to know what I think about food prices? They make me furious, that's what! Our budget was tight before but these insane food prices make things a constant struggle. I'm sick of chopping items off my grocery list—you can't go to work on bread and water! We got to figure out what's going on and do something. For my kids' sake if nothing else."

—A Chicago telephone operator

Introduction

What's going on with our food? The most vital thing we need—next to air—and it's being kept off our grocery shelves or priced sky high. This is the richest country in the world. A trillion dollar economy, and there's "not enough meat"!

We all want to know *the real reasons* why food prices are going up the way they are. Who's to blame? TV commentators and the daily papers aren't much help, pointing their fingers in ten different directions. One day it's the "farmers," the next day it's the "middlemen," then it's "last year's grain deal" or "bad weather."

Ronald Reagan dismisses the rising prices as "an Act of God." And then Secretary of Agriculture Butz tells us that we've been eating too well and have too much money to spend on food!

Getting this run-around made us think that all these people are trying to hide something from us.

So we began to investigate food prices and the food industry to get at the facts. We used government statistics, newspaper articles, corporation reports, and independent studies. And we found for sure that *some things have been hidden.*

- Like the fact that food prices are being set largely by just a few giant corporations (agribusinesses) in each area of food production—like Safeway, Del Monte, and Tenneco. . . .
- Or that the supply of food for our families is not controlled by the food industry alone but by the giants of U.S. business and finance, such as ITT, Greyhound, and Bank of America. . . .

We started asking some questions:

- Why have food prices gone up so much faster in 1973 than in any year we can remember?
- What has the government done to help us with our food problems? Or hurt us?
- Finally, we wanted to know what have consumers and working people around the country been doing to fight these rising prices?

The daily papers present the facts on the food industry in bits and pieces. We've tried to pull together all the information we could find, so we would present a unified picture of what's going on with our food.

We all have a right to know what's behind these blackmail food prices and where our next meal is—or isn't—coming from. When we know, we'll know where to strike back.

DO YOU MAKE TOO MUCH?

Government and industry spokesmen frequently claim that wage increases are responsible for price increases. After looking at workers' wages (especially workers in the food industry) and recent food prices, we've come up with a different conclusion.

Since the Wage Freeze was imposed in late 1971, the government has kept workers' wages under control, limiting wage increases to 5.5 per cent since then. Anyone who's lived through the past year can tell you that the "price freeze" has existed in name only. Nixon's price panels have worked hand-in-hand with the food industry, rubber-stamping almost every increase they've asked for.

While food prices have jumped over 20 per cent in 1973 alone, the wage increases of food industry workers have been strictly limited to under 5.5 per cent. This continued to be true even when "mandatory" wage controls were lifted for some groups of workers at the end of Phase 2. Workers in the food industry know first hand that their wages don't account for the rising food prices. They have historically been among the lowest paid of American workers.

In Del Monte, Libby, and Van Camp canneries, the largely seasonal workforce averages $3.00 per hour. Workers in chicken and other poultry processing plants make even less—$2.34 per hour. Most of these plants are located in non-union areas of the South.

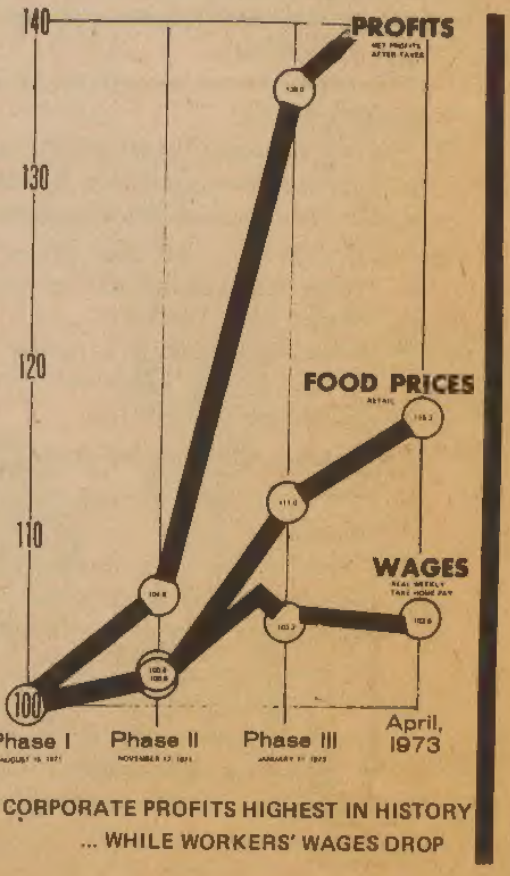
Even lower wages are paid to farmworkers, unless they're represented by the United Farmworkers Union. They are not even covered by minimum wage laws. The average yearly income of a farmworker family is $2400 per year.

From the fields to many restaurants and McDonalds hamburger stands, much of the food industry is still unorganized. Many of these workers make the minimum wage or less. In September 1973, President Nixon vetoed a minimum wage law that would have raised the wage level from $1.60 to $2.00 per hour. Nixon called the proposed law "inflationary."

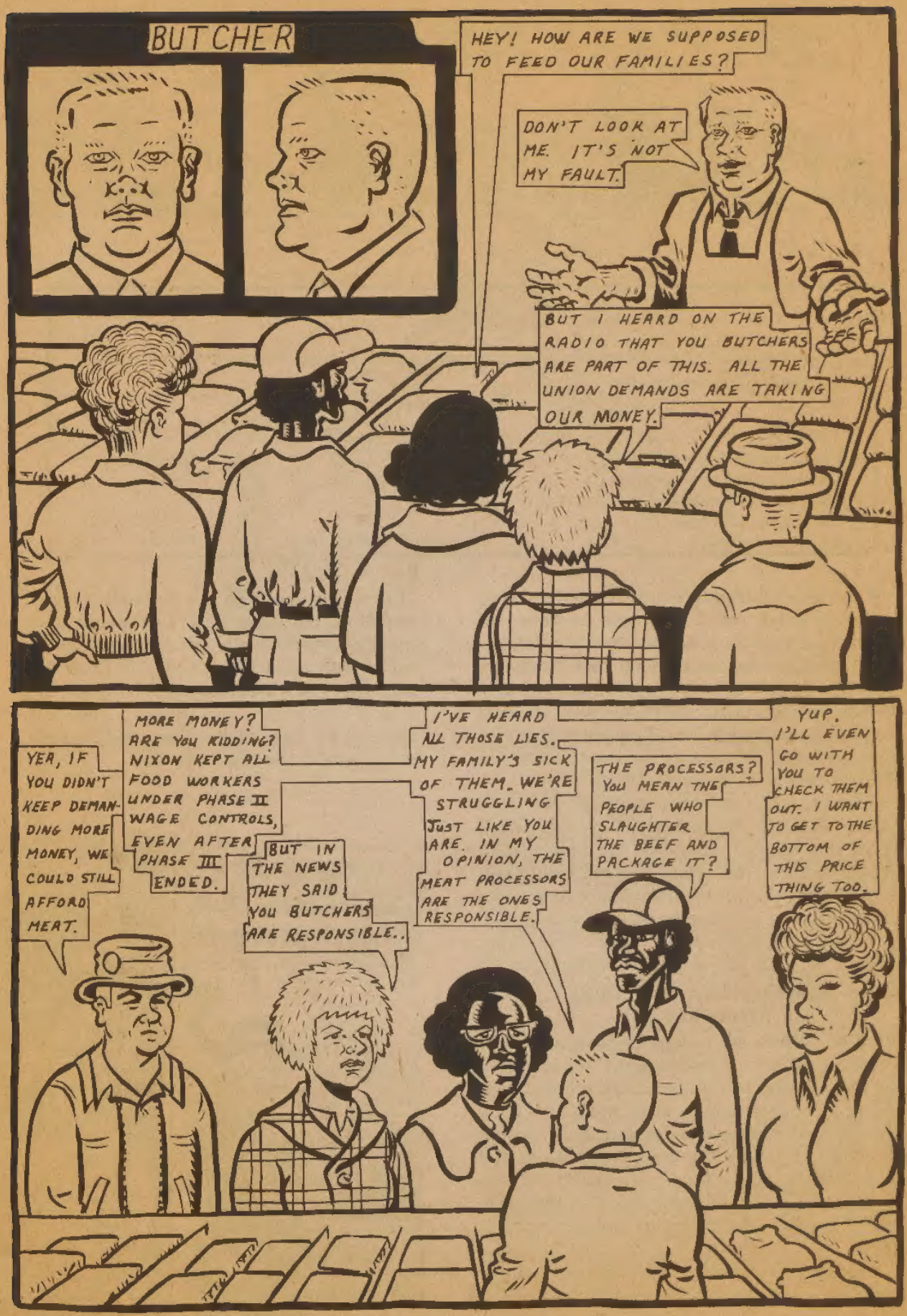
Just how much of the price we are paying for food is "inflated" by the wages of workers in the food industry? Here are some examples:

- The labor cost in preparing each pound of meat is only 11 cents. This covers all the work that meatcutters and butchers do from the slaughterhouse to the supermarket. Workers in the industry are handling twice as much meat today as they did 15 years ago.
- The farm labor cost that goes into a head of lettuce is 1½ cents. Lettuce is now selling for 29 cents to 49 cents per head.

This much is clear. The rising prices we are paying for food isn't going into the pockets of the workers who produce it. Someone else must be cashing in.



CORPORATE PROFITS HIGHEST IN HISTORY ... WHILE WORKERS' WAGES DROP


BUTCHER
HEY! HOW ARE WE SUPPOSED TO FEED OUR FAMILIES?
DON'T LOOK AT ME. IT'S NOT MY FAULT.
BUT I HEARD ON THE RADIO THAT YOU BUTCHERS ARE PART OF THIS. ALL THE UNION DEMANDS ARE TAKING OUR MONEY.
YER, IF YOU DIDN'T KEEP DEMANDING MORE MONEY, WE COULD STILL AFFORD MEAT.
MORE MONEY? ARE YOU KIDDING? NIXON KEPT ALL FOOD WORKERS UNDER PHASE II WAGE CONTROLS, EVEN AFTER PHASE III ENDED.
BUT IN THE NEWS THEY SAID YOU BUTCHERS ARE RESPONSIBLE..
I'VE HEARD ALL THOSE LIES. MY FAMILY'S SICK OF THEM. WE'RE STRUGGLING JUST LIKE YOU ARE. IN MY OPINION, THE MEAT PROCESSORS ARE THE ONES RESPONSIBLE.
THE PROCESSORS? YOU MEAN THE PEOPLE WHO SLAUGHTER THE BEEF AND PACKAGE IT?
YUP. I'LL EVEN GO WITH YOU TO CHECK THEM OUT. I WANT TO GET TO THE BOTTOM OF THIS PRICE THING TOO.

WHO'S CASHING IN?

Take a look at the salaries of the executives of these agribusiness corporations and their bank associates:

Position	'72 Salary	Increase from '71
Chairman of Ralston Purina	$247,000	$12,000
Chairman of Safeway	$184,000	$ 9,000
Chairman of Tenneco	$248,000	$41,000
Chairman of Kroger	$179,000	$14,000
Chairman of Bank Of America	$209,000	$41,000

With these salaries in mind, it's easier to see through a widely publicized myth. Secretary of Agriculture Earl Butz claims that "Americans spend less than 16 per cent of their family income on food." But this is only an average. Ralston Purina's chairman makes $247,000 and probably spends only 2 or 3 per cent of his income on food. This allows for steak for breakfast and lunch, and dinner on the town.

When you average what this food executive makes with 50 working families that make $3,000 per year and spend 50 per cent of their income on food, then you get your 16 per cent. We all know what we're spending on food these days, and the government's misleading statistics won't change the fact that most of us are lucky if we can afford to buy hamburger.

MINORITIES AND ELDERLY HARDEST HIT

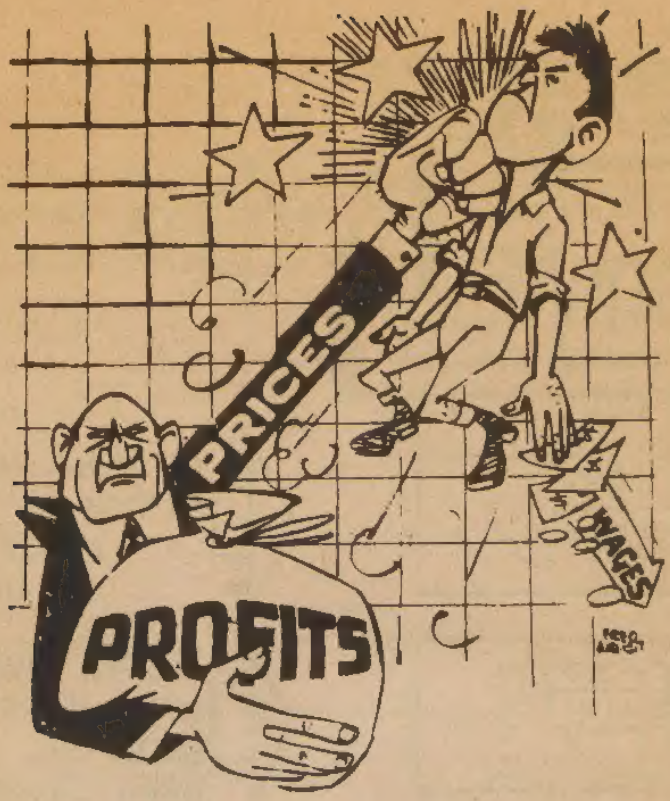
When meat prices nearly doubled in the first 6 months of 1973, many families, especially in the Black, Latin, and Asian communities, were forced to boycott meat out of necessity. Likewise, people on fixed incomes such as welfare recipients and elderly people on pensions and social security have been hit hardest. As the papers have reported, some older citizens have been forced to steal from the supermarkets or starve.

A Detroit housewife cut through all the doubletalk about workers' wages being responsible for rising food prices when she said,

"Prices are too high for anybody to buy anything. Our wages can't keep up. You have to go on a really strict budget just to make ends meet these days. . . . Lord, it's not wages that's causing prices to go up. You'd have to get 2 or 3 raises a year just to keep up with prices. Somebody's making a profit, they have to be."

WAGES ARE TO BLAME FOR INFLATION!
WAGES ARE TO BLAME FOR INFLATION
T.V., RADIO AND DAILY PRESS
KEEP REPEATING THAT TO THE PUBLIC!
BIG BIZ
$
STAGGERING PROFITS FROM HIGH PRICES

WHERE DO THE $$$ GO?



Whenever someone asks: "Who is making he profits off the high food prices?" fingers ɔoint in all directions. The supermarkets, meat ɔackers, grain companies and processors all lefend themselves by saying that they are only ɔassing on high costs that they must pay to ;ome *other* part of the economy. **Agribusiness ;pokesmen want us to believe that the food ndustry is broken up into competing parts and :hat none of these is making very much.**

This picture is wrong on two counts. To ɔegin with, the food industry is *not* all broken ıp. Just the opposite. Many of the giants of ıgribusiness have combined different levels of :he food process under one corporate roof, ɔwning farms and canneries and trucks, for ex-ımple. This push to top-to-bottom control ("vertical integration") eliminates the inde-ɔendent middleman and allows the company to :ake in profits all up and down the line.

In addition, on each level of agribusiness (farming, canning, or retailing) a few firms have driven out their competition and concentrated their control until they pretty much dominate the market.

The second way agribusiness has been lying to us is to say that no one in the food industry is making very much. Vertical integration and concentration give agribusiness what amounts to monopoly power. Today, giant corporations control 80 per cent of food production in the U.S.

With less and less competition, the food giants have been raising prices and making sizable profits at all stages of food production. As we experienced with the '73 meat "shortages," they can practically set their own price or completely withhold their food.

This power exists not only in the meat companies but throughout the industry, from Safeway to Del Monte to Tenneco. Tenneco's slogan "From seedling to supermarket" sums it up accurately. **In the following sections, we'll show how agribusiness corporations—few in number and huge in size—have an incredible degree of control of what we eat, when we eat it, and how much we must pay for the "privilege" of eating.**

FREE ENTERPRISE?

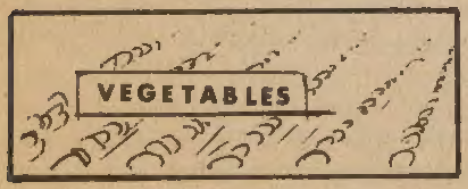
15% OF THE FOOD STORES GET 75% OF OUR MONEY.

1% OF ALL FARMS PRODUCE 25% OF THE NATION'S FOOD. 8% GET MORE THAN 50% OF THE SALES.

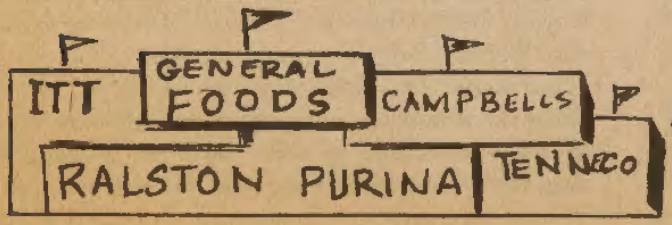
6 GRAIN COMPANIES BUY 90% OF ALL U.S. GRAIN. 2 COMPANIES HANDLE 50% OF THE WORLD'S GRAIN SHIPMENTS.

7% OF CATTLE RANCHERS OWN 80% OF ALL U.S. CATTLE.

1% OF PROCESSING COMPANY-OWNED FEEDLOTS HANDLE 80% OF ALL U.S. CATTLE.



GIANT FOOD PROCESSING FIRMS (DEL MONTE – LIBBY – ETC.) GROW OR CONTRACT 80% OF ALL VEGETABLES PRODUCED.



OF THE HUNDREDS OF THOUSANDS OF FOOD FIRMS INVOLVED IN PRODUCING FOOD, ONLY 50 FIRMS, MADE 61% OF ALL PROFITS.

by Carlton Terry

Chainstores pass the buck...

to themselves!

Safeway owns throughout the US and Canada:

23 Distribution centers
19 Produce pre-packaging plants
18 Milk plants
17 Ice cream plants
15 Bread baking plants
6 Egg plants
5 Soft drink bottling plants
4 Fruit and vegetable processing plants
4 Coffee roasting plants
3 Meat processing plants
3 Cheese pre-cutting plants
2 Cookie and cracker baking plants
2 Frozen fruit and vegetable processing plants
2 Jam and jellies plants

Plus:
A cake baking plant
A cereal processing plant
A dressing and salad oil plant
An edible oil refinery
A fruit processing, margarine and dressing plant
A household chemicals plant
A soap plant
An instant milk plant

Plus:
2303 stores in the U.S. and 340 abroad

We get the impression that chain stores such as Safeway, A&P or Kroger are simply retail stores who must pay "middlemen" to stock their shelves. Increasingly, these big chains stock their *own* shelves. Safeway not only buys food from its own food processing plants, it transports the food to its own distribution centers, in its own trucks.

Kroger, the big midwest chain store, owns its own meat packing plants, milk and ice cream plants, bakeries, a dairy, a sausage plant, a trucking fleet—plus an Arkansas chicken breeding farm and feed mill operation which produces 28 million chickens each year. The same pattern holds true for A&P.

When the price of milk, bread or chickens goes up at Safeway, Krogers or A&P, it's not necessarily because some mysterious "middleman" has raised his prices. It is because one Safeway-owned company is raising prices that another Safeway-owned company will then pass on to the shopper. The profit ultimately goes back into the same corporate bank account.

"Within ten to twenty years, supermarket chains will be the major factor in the beef industry, controlling cattle raising, and directly owning feed lots, as well as packing plants." *The Nation* (6-5-72)

CHAIN STORE PROFITS

The big chains claim they only mark up the price of food one or two per cent. They say their profit on any item is very small. However, they neglect to report that the steady turnover of all their products adds up to a harvest of millions of dollars. They also fail to mention the profit they make at every stage of the production and delivery of these items they sell.

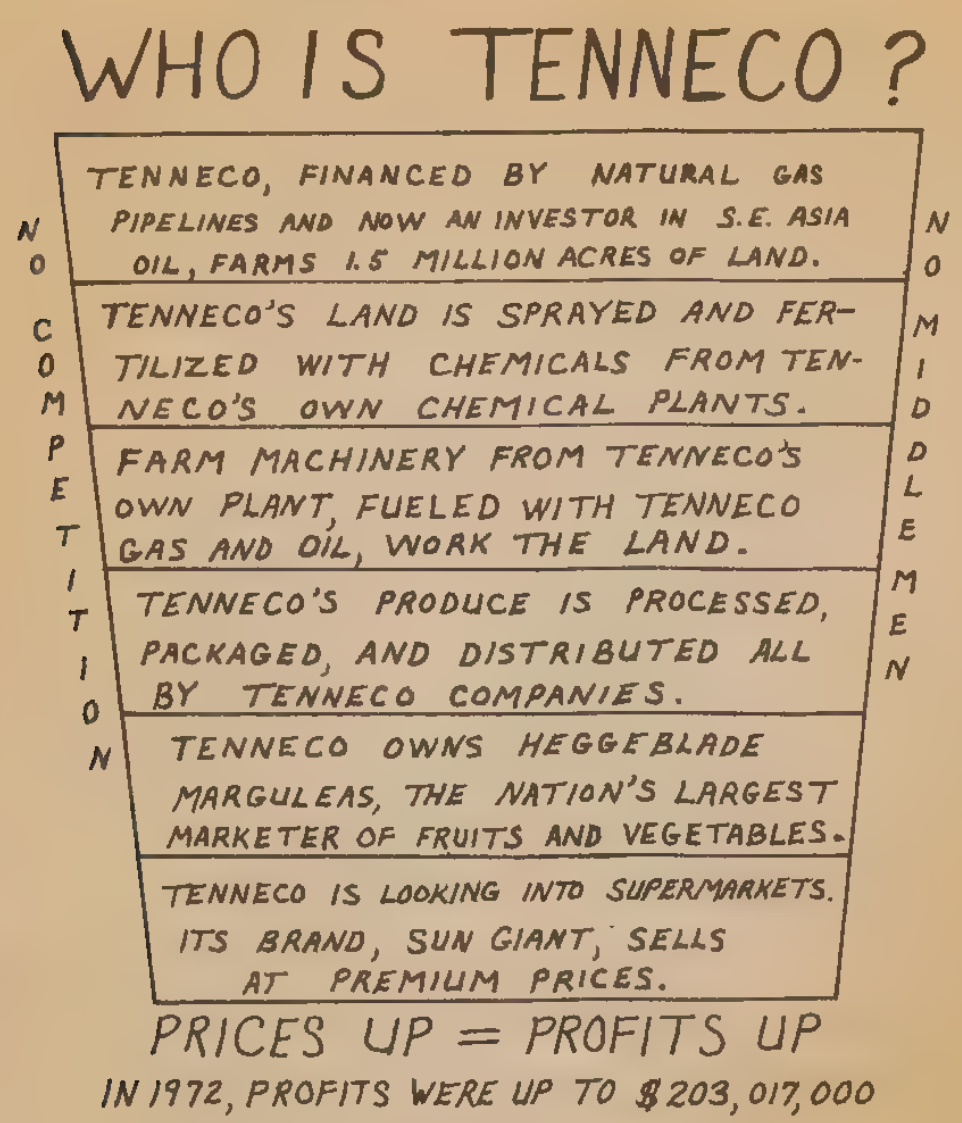
- In 1972 Safeway had a net profit of over 93 million dollars, up from $80.2 million in 1970.
- A&P, Kroger and Safeway together paid out almost $125 million in stockholder dividends alone in '72.

The Federal Trade Commission assumes any return on shareholder investment above 9 per cent indicates monopoly control of a market. In 1972 Safeway had a 15 per cent return on every dollar invested.

Clearly the large supermarket chains are able to eliminate almost all but their biggest competitors and can largely determine their own prices. With this monopoly control it is not surprising that 15 per cent of the food stores get 75 per cent of our food dollars.

TENNECO—"FROM SEEDLING TO SUPERMARKET"

Few people have heard of Tenneco, but it ranks in the largest 30 U.S. corporations. Bigger than Xerox, Bethlehem Steel, and Alcoa Aluminum, it has made a fortune by combining many stages of the food industry into one top-to-bottom operation.


WHO IS TENNECO ?
NO COMPETITION
NO MIDDLEMEN
TENNECO, FINANCED BY NATURAL GAS PIPELINES AND NOW AN INVESTOR IN S.E. ASIA OIL, FARMS 1.5 MILLION ACRES OF LAND.
TENNECO'S LAND IS SPRAYED AND FERTILIZED WITH CHEMICALS FROM TENNECO'S OWN CHEMICAL PLANTS.
FARM MACHINERY FROM TENNECO'S OWN PLANT, FUELED WITH TENNECO GAS AND OIL, WORK THE LAND.
TENNECO'S PRODUCE IS PROCESSED, PACKAGED, AND DISTRIBUTED ALL BY TENNECO COMPANIES.
TENNECO OWNS HEGGEBLADE MARGULEAS, THE NATION'S LARGEST MARKETER OF FRUITS AND VEGETABLES.
TENNECO IS LOOKING INTO SUPERMARKETS. ITS BRAND, SUN GIANT, SELLS AT PREMIUM PRICES.
PRICES UP = PROFITS UP
IN 1972, PROFITS WERE UP TO $203,017,000

Tenneco's farming roots go back to 1877 when two land speculators swindled the public out of 150 square miles of fertile land in the San Joaquin Valley of California. They hired over 1000 vagabonds to take out phony claims to the land, transferred the title to themselves, and incorporated.

Today, Tenneco is up to the same "legal" tricks. In 1970, Tenneco received $1.4 million in land subsidies for not growing food, paid no federal income taxes at all, and made out with $73.8 million in profits.

Giants dominate food processing

While the big chain stores increasingly own their own processing plants and canneries, the food processing stage is dominated by other agribusinesses that also extend their interests from the farm to the dinner table.

Del Monte, for example, has crossed many industry "divisions" to become the world's largest canner of fruits and vegetables. It markets over 250 different foods and accounts for 16 per cent of canned food sales in the U.S. It is larger than its next two competitors (Stokely-Van Camp, and Libby McNeil and Libby) combined.

Del Monte grows much of its food on its own farm land, or contracts with its own farmers. It makes its own cans and then fills them at its own canneries. It moves its products on its own trucks to its own terminals. Food is stored at Del Monte warehouses and shipped by Del Monte shipping services.

In addition to selling to grocery stores, Del Monte sells to Del Monte food vending operations, cafeteria services and frozen food plants. And Del Monte makes the profit all the way down the line.

Del Monte's monopoly power can be seen in the contract agreements it has with smaller, independent vegetable farmers. According to the Dept. of Agriculture, 78 per cent of all processed vegetables are grown under contract. 10,000 farms in 15 states are directly under contract to produce for Del Monte.

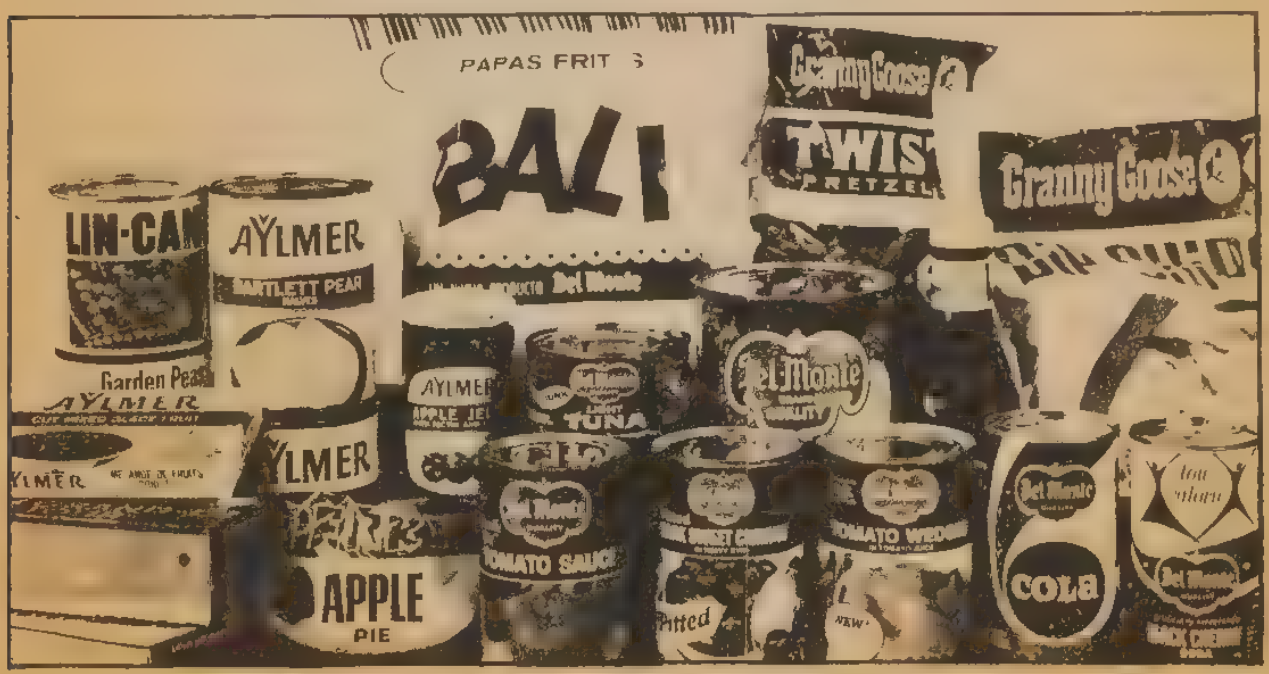
These contracts are heavily weighted in favor of Del Monte. Farmers in those states could try to take their produce to other parts of the country, but they can't afford to transport their perishable vegetables long distances to independent markets.

RUNAWAY CROPS

If independent U.S. vegetable growers should balk at prices offered by Del Monte, they can be left hanging while Del Monte harvests and cans in Mexico. For Del Monte not only sells in other countries. Increasingly it is growing overseas also.

Growing a runaway crop allows Del Monte to exploit cheap labor (Mexican farm workers get 23 cents an hour, cannery workers 27 cents) and benefit from substantial tax breaks.

These savings are not passed along to the consumer but to the Del Monte treasury. Canned asparagus imported from Mexico costs Del Monte 40 per cent less than home-grown asparagus, yet they sell it to us at the same price as US-grown and packed asparagus.



Controlling the meat industry

Meat, now being consumed at an annual rate of more than 113 pounds per person, makes up the largest chunk of our grocery bill. Here also agribusinesses are combining the various stages of production and are making big profits as a result.

At one time the meat industry could be broken down into the ranchers that bred the cattle, the feed lots that fattened them up, and the slaughterhouses that killed and processed the cattle. It made sense for the slaughterhouses to blame the feedlots or the feedlots to blame the ranchers for prices that were charged.

Today giants like Iowa Beef, Western Beef, and Missouri Beef own their own ranches, feedlots and slaughterhouses, as they exercise top-to-bottom control in the meat industry. In 1970 alone, more than 14,000 smaller independent feed lots and thousands of ranches were driven out of business or bought up by big meat companies in their drive toward monopoly. Now

- The top 1 per cent of these processing company-owned feedlots handle 62 per cent of the nation's beef
- 7 per cent of the cattle raisers own 80 per cent of all US cattle.

TWICE THE SIZE OF RHODE ISLAND!

Arizona-Colorado Land and Cattle Company is a good example of how the meat industry is increasing profits by corraling all the stages of production under one corporate roof. This company owns ranch land twice the size of Rhode Island. It owns 40,000 cattle, the largest feed lot in all California and Arizona, its own meat packing plant, and produces its own farm machinery. In addition, it owns the Alamosa National Bank, which also controls the financing for most of southern Colorado's ranching.

The result: Since 1965 Arizona-Colorado Land and Cattle Company profits have more than *tripled*.

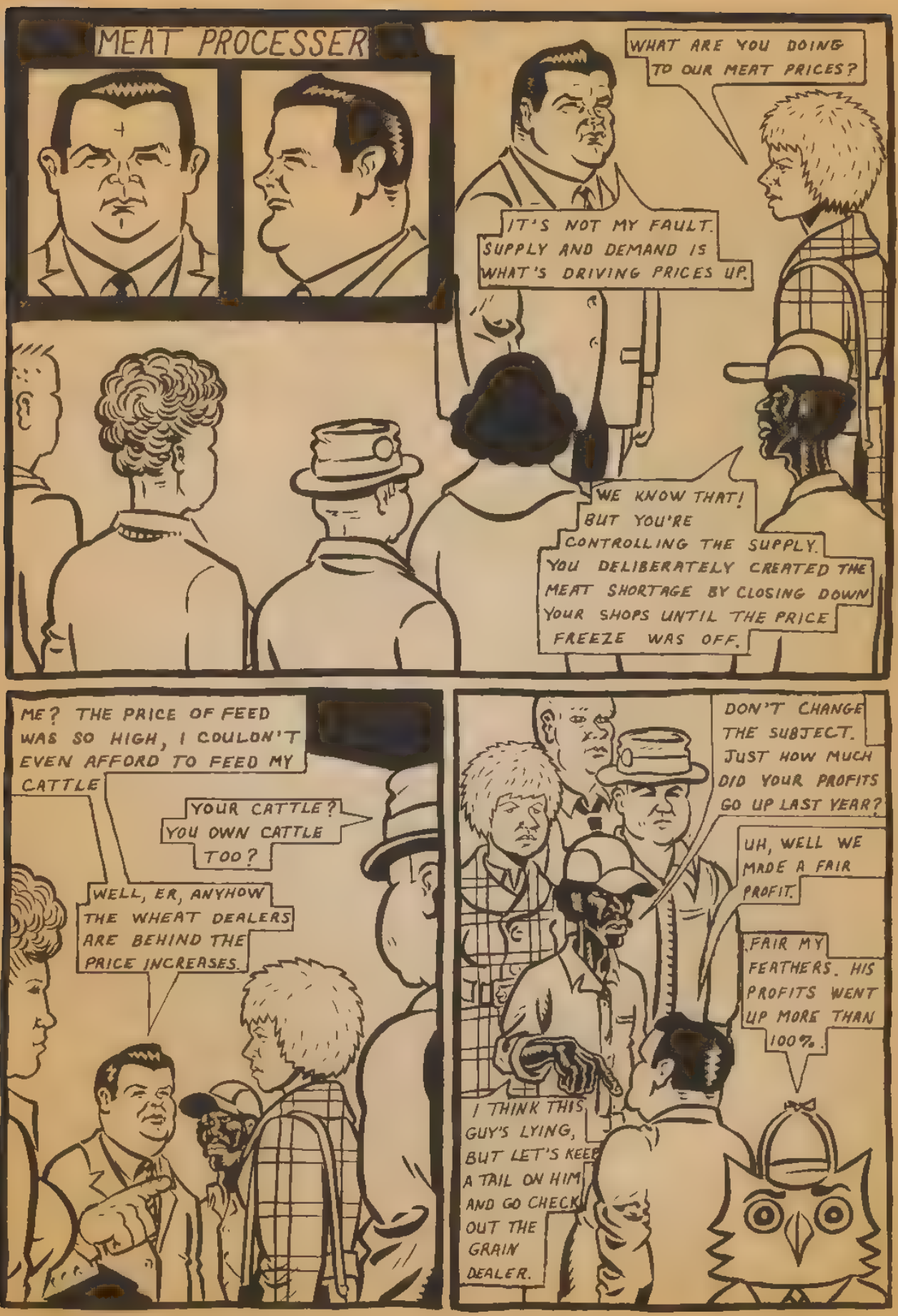
With such control of the industry, meat companies can determine just what and when they will produce. In 1973 cattle production was 15 per cent higher than in 1972. Yet when the government imposed price ceilings on beef in 1973, these corporations simply withheld their cattle from the market, causing a nation-wide meat "shortage." After the price controls on meat were removed, they sent their meat to market, still at record high prices.

THE PROFITS IN PROTEIN

As with the giant supermarkets and canners, control of the meat process guarantees the meat industry incredible profits.

- Greyhound's profits went up 300 per cent in the year it bought Armour beef.
- Western Beef's profits for '71-'72 were up 128 per cent

And between November of '72 and February '73, when meat prices started to skyrocket, Iowa Beef profits rose 105 per cent. During this period, the giant meat processors were not just passing on the extra cost of feed grains—they were in a position to take advantage of the situation and cash in.


MEAT PROCESSER
WHAT ARE YOU DOING TO OUR MEAT PRICES?
IT'S NOT MY FAULT. SUPPLY AND DEMAND IS WHAT'S DRIVING PRICES UP.
WE KNOW THAT! BUT YOU'RE CONTROLLING THE SUPPLY. YOU DELIBERATELY CREATED THE MEAT SHORTAGE BY CLOSING DOWN YOUR SHOPS UNTIL THE PRICE FREEZE WAS OFF.
ME? THE PRICE OF FEED WAS SO HIGH, I COULDN'T EVEN AFFORD TO FEED MY CATTLE
YOUR CATTLE? YOU OWN CATTLE TOO?
WELL, ER, ANYHOW THE WHEAT DEALERS ARE BEHIND THE PRICE INCREASES.
DON'T CHANGE THE SUBJECT. JUST HOW MUCH DID YOUR PROFITS GO UP LAST YEAR?
UH, WELL WE MADE A FAIR PROFIT.
FAIR MY FEATHERS. HIS PROFITS WENT UP MORE THAN 100%.
I THINK THIS GUY'S LYING, BUT LET'S KEEP A TAIL ON HIM AND GO CHECK OUT THE GRAIN DEALER.

Grain Dealers & Wheeler-Dealers

A year ago many of us wouldn't have connected high wheat or soybean prices with our shopping bill. By now, however, we've made the connection. Grain and soybeans are needed for a great many foods.

Everytime the price of feed goes up, the price we pay for meat takes a jump. Wheat is also used for most of our meat substitutes (pastas, breads, etc.). Soybeans are an important ingredient in many of our foods, including all bakery goods, margarines, and salad oils. Because wheat and soybeans are such important crops, agribusiness has moved in to monopolize them as well.

"THE BIG 6"

Six grain companies monopolize the grain industry, by buying up 90 per cent of the grain produced. While there are still nearly a million grain farmers, they are at the mercy of the Big 6 grain dealers. These companies are big enough to set the prices that will be paid for a farmer's grain.

The stranglehold the "Big 6" have on farmers is connected to their control of shipping and storage facilities. Cargill and Continental, the top two, alone handle 50 per cent of the **world's** grain shipments. Without the ability to get their grain to market, farmers are stuck. They have to accept whatever the Big 6 will offer.

The same squeeze is applied to us. Grain dealers dictate their prices to bakeries and feedlots, and we end up paying the bill.

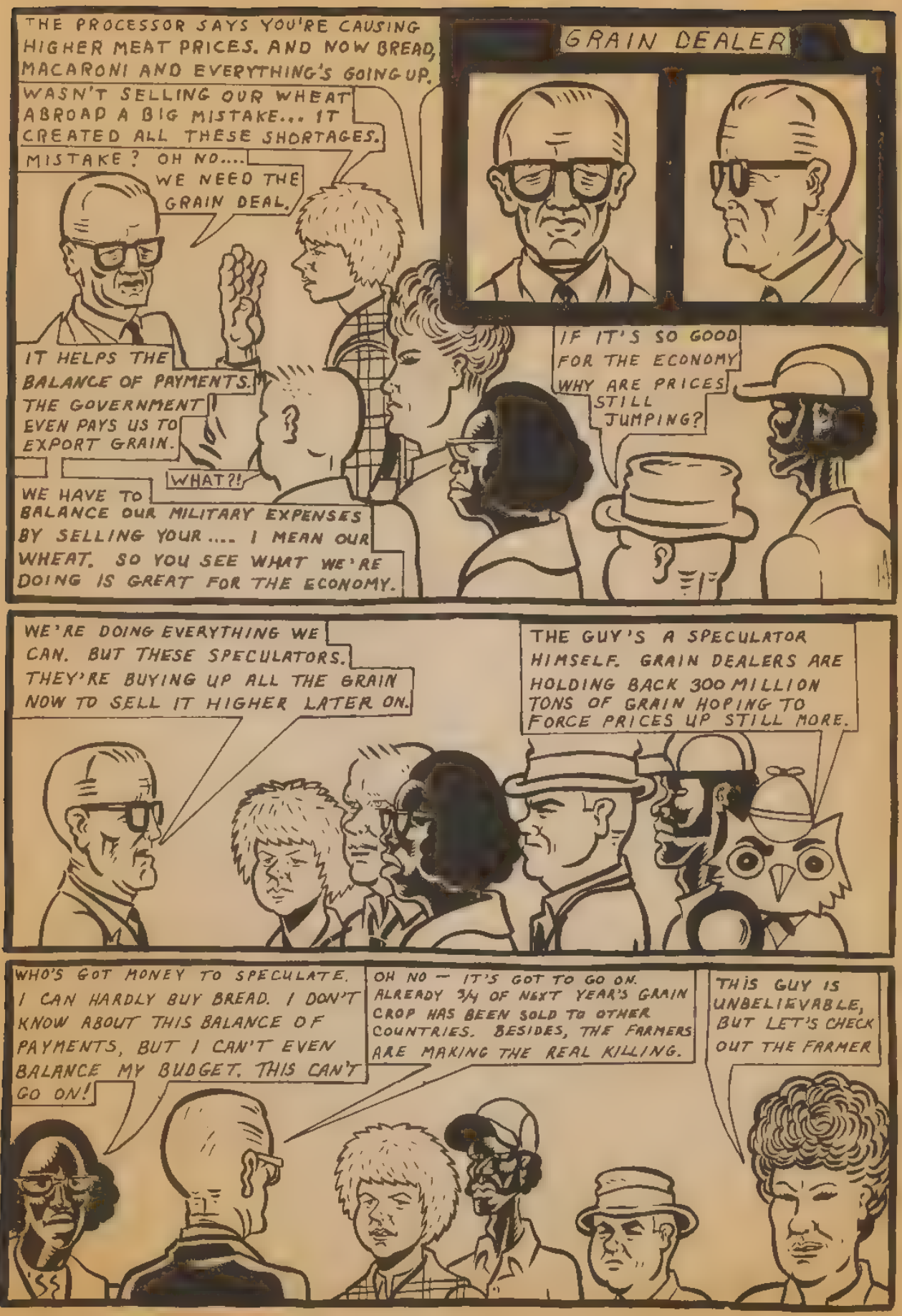
CONNECTIONS WITH GOVERNMENT

The Big 6 use their inside connections to maximize their profits. In the spring of 1972, representatives of the Department of Agriculture, including Assistant Secretary Clarence Palmsby, went to Russia to talk about trade. They set the stage for a big sale, as the Russian harvest had been ruined by bad weather and poor planning.

But when the government officials returned to this country, they made sure the farmers did not hear about the possible sale. Only the grain dealers heard.

Palmsby went directly to a job waiting for him at Continental. Continental, along with the rest of the Big 6, took advantage of the grain farmer's lack of information about the sale to buy up most of the available wheat, at low prices. The dealers later sold the wheat for far more than they had paid, while farmers took a loss.

Wheat farmer Elmer Frick's plight was typical of farmers throughout the early harvest season. In Kinsley, Kansas, a few hours before the Russian deal was publicly announced, Frick sold his entire 1972 crop of 4000 bushels for


THE PROCESSOR SAYS YOU'RE CAUSING HIGHER MEAT PRICES. AND NOW BREAD, MACARONI AND EVERYTHING'S GOING UP.
WASN'T SELLING OUR WHEAT ABROAD A BIG MISTAKE... IT CREATED ALL THESE SHORTAGES.
MISTAKE? OH NO.... WE NEED THE GRAIN DEAL.
GRAIN DEALER
IT HELPS THE BALANCE OF PAYMENTS. THE GOVERNMENT EVEN PAYS US TO EXPORT GRAIN.
WHAT?!
WE HAVE TO BALANCE OUR MILITARY EXPENSES BY SELLING YOUR .... I MEAN OUR WHEAT. SO YOU SEE WHAT WE'RE DOING IS GREAT FOR THE ECONOMY.
IF IT'S SO GOOD FOR THE ECONOMY WHY ARE PRICES STILL JUMPING?
WE'RE DOING EVERYTHING WE CAN. BUT THESE SPECULATORS. THEY'RE BUYING UP ALL THE GRAIN NOW TO SELL IT HIGHER LATER ON.
THE GUY'S A SPECULATOR HIMSELF. GRAIN DEALERS ARE HOLDING BACK 300 MILLION TONS OF GRAIN HOPING TO FORCE PRICES UP STILL MORE.
WHO'S GOT MONEY TO SPECULATE. I CAN HARDLY BUY BREAD. I DON'T KNOW ABOUT THIS BALANCE OF PAYMENTS, BUT I CAN'T EVEN BALANCE MY BUDGET. THIS CAN'T GO ON!
OH NO — IT'S GOT TO GO ON. ALREADY 3/4 OF NEXT YEAR'S GRAIN CROP HAS BEEN SOLD TO OTHER COUNTRIES. BESIDES, THE FARMERS ARE MAKING THE REAL KILLING.
THIS GUY IS UNBELIEVABLE, BUT LET'S CHECK OUT THE FARMER

$1.27 per bushel.

Eight weeks later, after the magnitude of the foreign sales was learned, those same bushels of wheat were bringing $2.14 per bushel. At $1.27 a bushel, Elmer had sold below his cost of production and taken a loss.

Secretary of Agriculture Butz, who was responsible for suppressing an Agriculture Department report that would have informed farmers of the size of the deal, explained: "Farmers didn't lose money (because of the wheat sales), they just weren't smart enough to take advantage of the situation."

GREAT GRAIN ROBBERY

As if the grain dealers needed any more financial help, they benefited from a generous export subsidies program. The Big 6 had earlier used their political connections to get this give-away from the Dept. of Agriculture. The Department paid them taxpayer money whenever they sold wheat to a foreign buyer at a lower-than-domestic price.

If the going US price was $2.10 per bushel and the world market price was $1.60 per bushel, the grain companies sold abroad at $1.60 and collected a subsidy of 50 cents per bushel.

The final week of this program the Big 6 made a killing, cashing in on 280 million bushels of wheat at 47 cents a bushel for subsidies alone.

Cargill, with $3 billion in annual sales, more than took advantage of the subsidies program. When the export payments were close to 50 cents a bushel, Cargill sold to a "foreign" Panamanian company and collected $1 million in subsidies. The Panamanian firm was a Cargill subsidiary. The wheat never went to Panama.

The grain was resold and shipped to Switzerland at 10 cents above the US domestic price. This should have disqualified the subsidy payment. The $1 million subsidy was pure robbery taken by a few tricks in paperwork.

What does the monopoly of grain mean? Someone is getting the bread and someone the chaff. The Big 6 grain dealers are making billions on sales and subsidies. Thousands of farmers are being cheated from a fair price for their crops. Taxpayers are picking up the tab. And consumers are paying higher prices for most everything they eat.

Who gets the farmer's share?

Farming today is also dominated by agribusiness. Again monopoly control has a direct bearing on the cost and quality of our food.

Recently the newspapers and media have talked a lot about increased farm income. They imply that because net farm income has increased by $5 billion, farmers in general are making a killing.

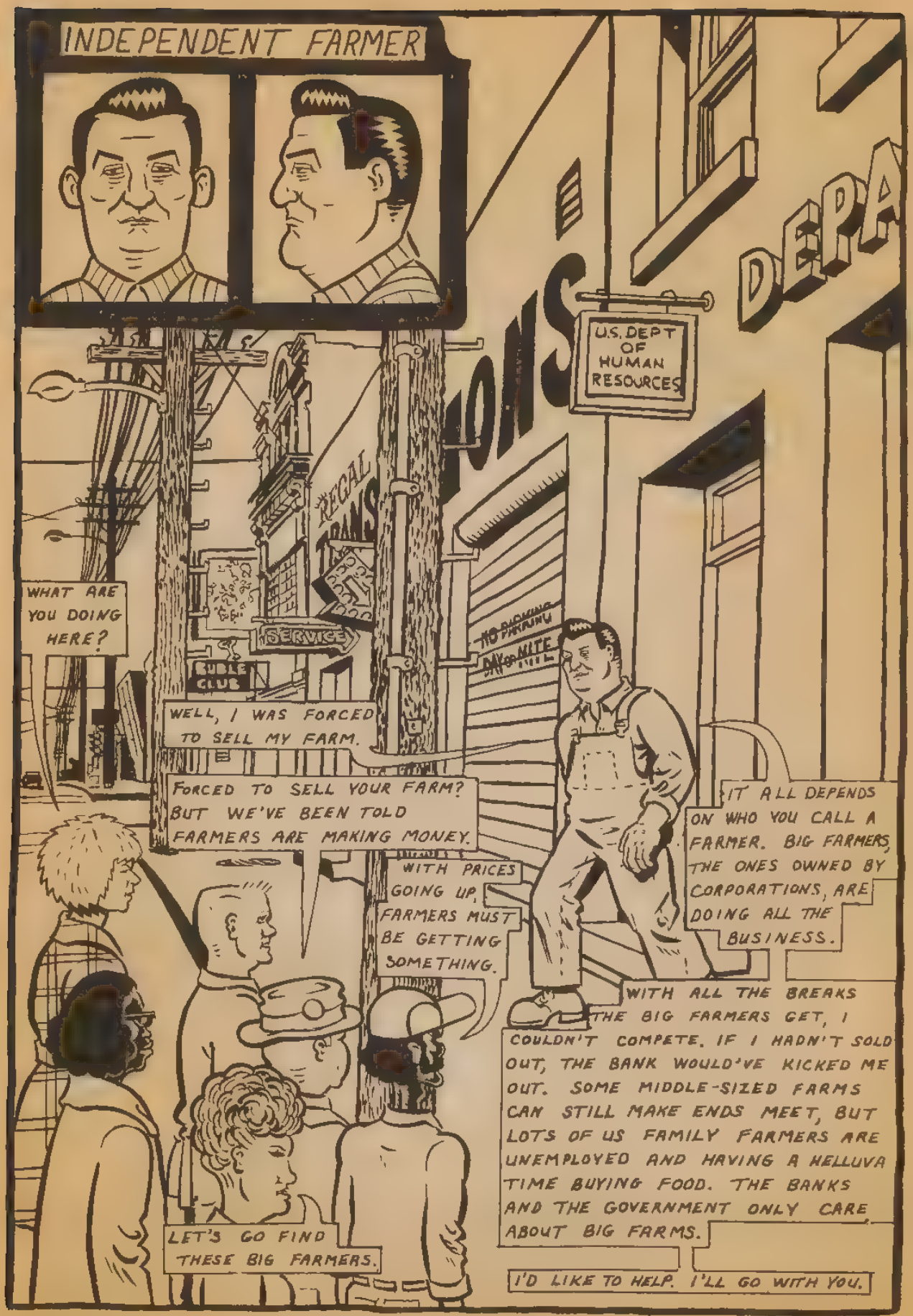
"Reinforced by record prices for his products and impressive gains in income, the United States farmer is shopping for new tractors and equipment, and often for new automobiles, furniture, televisions, and other household commodities" (*New York Times*, Sept. 9, 1973). This kind of report implies that our food prices are high because Farmer Brown and his family are living high on the hog.

Actually, over half of all American farmers now make less than $5000 per year, before expenses.

- 1.5 million farmers live below poverty levels.
- 1000 small farmers a week are being forced from their farms to the cities to look for work.

Instead of supplying America's food, the small farmer is struggling to feed himself.

Some independent farmers are still in better shape and may be making it on the farm, but many require second jobs to do so. The farm boom in '73 has given them a chance to catch up on debts or family needs, but it does not change the basic weakness of their position.


INDEPENDENT FARMER
U.S. DEPT OF HUMAN RESOURCES
DEPA
REGAL
SERVICE
CUDDLE CLUB
WHAT ARE YOU DOING HERE?
WELL, I WAS FORCED TO SELL MY FARM.
FORCED TO SELL YOUR FARM? BUT WE'VE BEEN TOLD FARMERS ARE MAKING MONEY.
WITH PRICES GOING UP, FARMERS MUST BE GETTING SOMETHING.
IT ALL DEPENDS ON WHO YOU CALL A FARMER. BIG FARMERS, THE ONES OWNED BY CORPORATIONS, ARE DOING ALL THE BUSINESS.
WITH ALL THE BREAKS THE BIG FARMERS GET, I COULDN'T COMPETE. IF I HADN'T SOLD OUT, THE BANK WOULD'VE KICKED ME OUT. SOME MIDDLE-SIZED FARMS CAN STILL MAKE ENDS MEET, BUT LOTS OF US FAMILY FARMERS ARE UNEMPLOYED AND HAVING A HELLUVA TIME BUYING FOOD. THE BANKS AND THE GOVERNMENT ONLY CARE ABOUT BIG FARMS.
I'D LIKE TO HELP. I'LL GO WITH YOU.
LET'S GO FIND THESE BIG FARMERS.

CORPORATE FARMERS

Just as with the big chain supermarkets, the giant meat processing and canning companies, and the "Big 6" grain dealers, the real money makers in farming are the big corporate farms that are actively trying to drive out their independent competition.

By now, the top 1 per cent of America's farms produce 25 per cent of the nation's food. 8 per cent of the farms account for more than half of all agricultural sales.

These farms are run by corporate farmers: big corporations such as Dow Chemical, Southern Pacific Railroad, Tenneco, and business executives and investors who may have never seen a farm. They have moved into farming as part of their business.

FARMING THE GOVERNMENT

Just as in grain, agribusiness's role in farming has been helped by government policies. The land subsidy program of paying farmers **not** to grow food benefited the biggest land holders—the corporate farmers—the most. (See box, p. 30).

While the Dept. of Agriculture paid out these tax dollars to keep land idle, the Dept. of Reclamation also used tax dollars to bring **more** land into circulation. This newly fertile land often belonged to the same agribusiness that got land subsidies. Tenneco's land, for example, was helpfully irrigated by the California Water Project at the same time that Tenneco also received millions to take land out of production.

The short-term losses to Tenneco as a farmer are more than made up by gains to Tenneco as a buyer and marketer of almonds. And when competition is gone, such agribusiness control of the supply enables them to push prices up.

For example, three companies dominate 90 per cent of the lettuce crop in the US: United Brands (Chiquita bananas), Purex Corp. (the bleach people) and Bud Antle, a subsidiary of Dow Chemical. The Federal Trade Commission has charged two of them with monopoly price fixing almost the total supply of this fresh vegetable.

Agribusiness is consolidating its hold on agriculture. When a few giants alone control farming, a few giants alone will set prices.

In addition, tax laws have been written to deliberately produce agribusiness profits. All money agribusiness investors put into farming can be subtracted from present profits—saving on the tax bill. Any profits that come out of farming are then not called profits but "capital gains"—so they are only taxed at 50 per cent.

In other words, if you are forced to work for a living, you are taxed twice as hard as these farming corporations. With such tax breaks, it is easy for agribusiness to keep getting bigger.

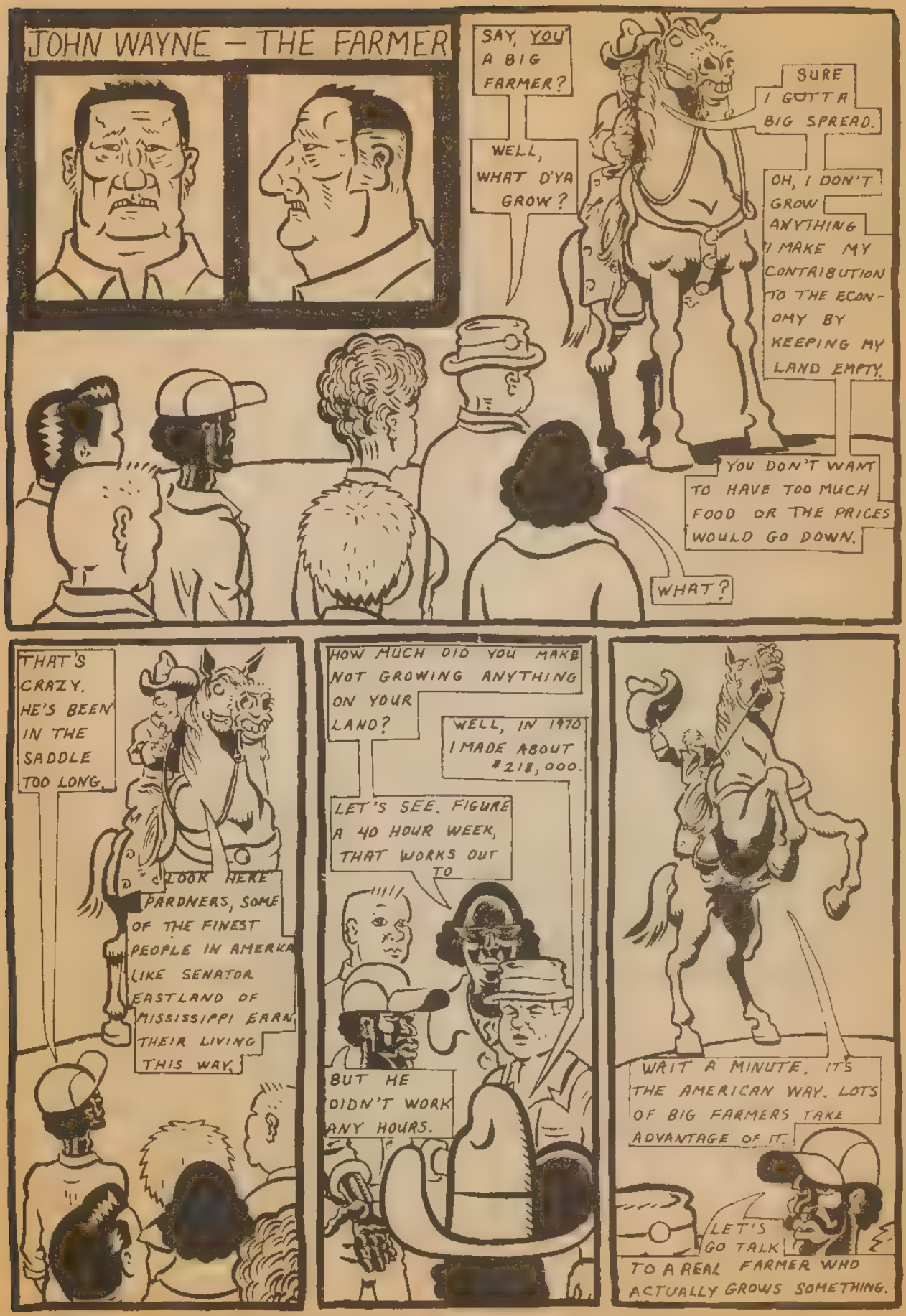
BIG FARMS—CHEAPER FOOD?

But so what if farm corporations are big, so what if they control the production of nearly all our food? Agribusiness spokesmen like Secretary of Agriculture Butz argue that large-scale corporate farms are necessary because they supply "more and better food at lower prices."

But anyone can see that big farming hasn't led to cheaper foods. When a few corporate farms get a big hold on crops, they can force out the remaining competition. Sometimes they do this by keeping prices low for awhile and compensating for a temporary loss with profits from another part of their corporate business.

A corporation like Tenneco, which controls all the stages of production, and monopolizes entire crops, can use leverage from its large production of almonds, for example, to force down their price. This forces smaller growers out.

Text continues on pg. 24


JOHN WAYNE — THE FARMER
SAY, YOU A BIG FARMER?
WELL, WHAT D'YA GROW?
SURE I GOTTA BIG SPREAD.
OH, I DON'T GROW ANYTHING I MAKE MY CONTRIBUTION TO THE ECONOMY BY KEEPING MY LAND EMPTY.
YOU DON'T WANT TO HAVE TOO MUCH FOOD OR THE PRICES WOULD GO DOWN.
WHAT?
THAT'S CRAZY. HE'S BEEN IN THE SADDLE TOO LONG.
LOOK HERE PARDNERS, SOME OF THE FINEST PEOPLE IN AMERICA LIKE SENATOR EASTLAND OF MISSISSIPPI EARN THEIR LIVING THIS WAY.
HOW MUCH DID YOU MAKE NOT GROWING ANYTHING ON YOUR LAND?
WELL, IN 1970 I MADE ABOUT $218,000.
LET'S SEE. FIGURE A 40 HOUR WEEK, THAT WORKS OUT TO
BUT HE DIDN'T WORK ANY HOURS.
WAIT A MINUTE. IT'S THE AMERICAN WAY. LOTS OF BIG FARMERS TAKE ADVANTAGE OF IT.
LET'S GO TALK TO A REAL FARMER WHO ACTUALLY GROWS SOMETHING.

Concentration=You pay more

A lot of advertising money has been spent to convince us that bigger means better and cheaper. Take a look at the cereal and dairy industries:

Cereal companies control 98 per cent of the cereal market. Figures from the US Bureau of Competition show that they charge us at least $65 million more a year than competition would allow.

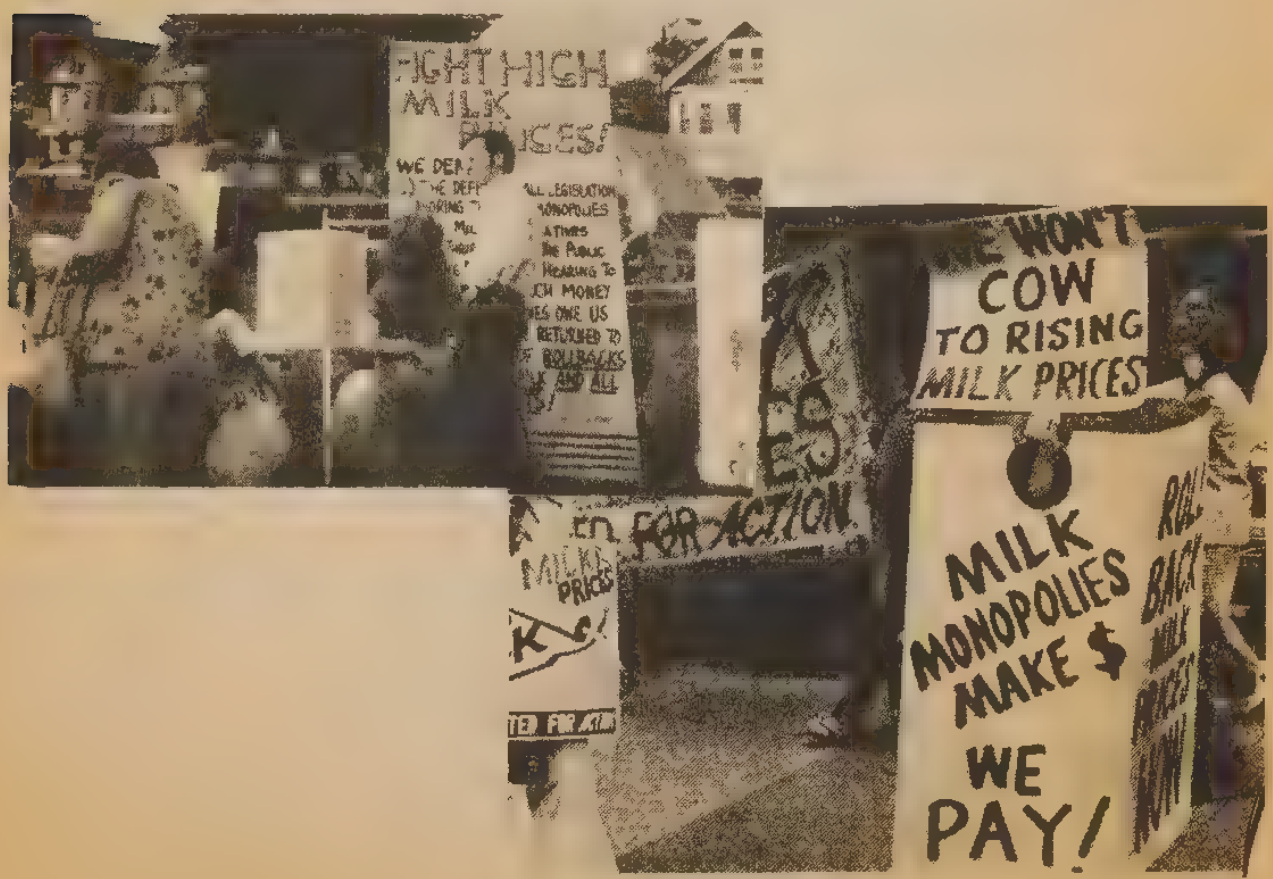
Two General Mills cereals, Total and Wheaties, are identical except that Total includes vitamins and minerals worth one-third cent more than those in a box of Wheaties. That one-third cent difference is used to justify an 18 cent price difference. This 5400 per cent mark-up of Total adds to a **$10 million a year gyp** for the consumer.

MILK PRICES

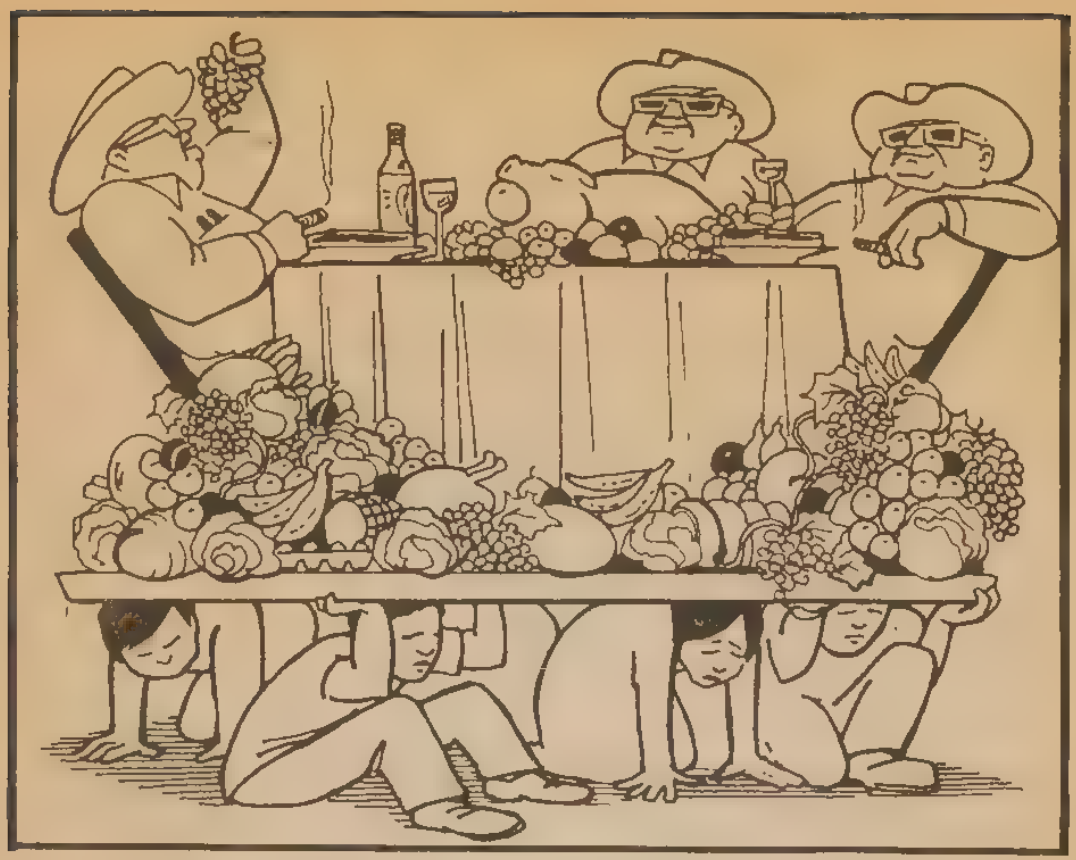
The price of milk also suffers from monopoly power in the dairy industry. Between 1922 and 1964 eight large dairy companies absorbed 2,000 smaller ones—resulting in steadily rising milk prices.

Diary Men, Inc., one of the country's largest co-ops, has a virtual monopoly on milk production in Georgia. Result: Georgia has the highest milk prices in the nation—74 cents a half gallon as of 6-8-73.

In December 1972, Sealtest Co., one of the biggest milk companies in New York, was convicted of selling milk in gallon containers that held a full 2 ounces under a gallon. The $5000 fine a friendly judge gave the company didn't approach the total Sealtest had stolen from shoppers.



ARE YOU A FARMER?
SURE AM — ONE OF MY BEST BUSINESSES.
ONE OF?
OF COURSE. WE DO A LOT MORE THAN FARM. WHY, MY CORPORATION ALSO OWNS A TRUCKING FLEET, A PROCESSING PLANT, A RAILROAD, AND EVEN SOME OIL WELLS.
CORPORATE FARMER
BUT YOU ARE A FARMER, AREN'T YOU?
SURE. WE'VE GOT MILLIONS OF ACRES OF FRUITS AND VEGETABLES. A FEW OF US HAVE EVEN CORNERED THE MARKET ON LETTUCE.
THAT'S HOW YOU DROVE ME OUT OF BUSINESS. YOU GOT ENOUGH OF THE SUPPLY TO SET YOUR OWN DEALS
THAT'S FOR SURE. 3 COMPANIES SELL NINE OUT OF TEN HEADS OF LETTUCE SENT TO MARKET
WELL, SUPPLY HAS TO BE REGULATED. THINK OF WHAT WOULD HAPPEN IF TOO MANY VEGETABLES GOT TO MARKET.
WHAT WOULD HAPPEN? A LOT OF FAMILIES I KNOW WOULD BE EATING BETTER.
WELL, UH, THAT WOULD BE IMPOSSIBLE. HIGH PRICES ARE NECESSARY TO PAY MY HIGH LABOR COSTS. YOU KNOW WHAT OUTRAGEOUS DEMANDS THE FARM WORKERS UNION MAKES.
I DON'T BELIEVE THAT. I KNOW A SHUCK WHEN I HEAR ONE.
LET'S GO TALK TO THE FARMWORKERS AND HEAR THEIR SIDE.



BOSWELL, BANK OF AMERICA, AND THE FARMWORKERS

While the anti-union tactics of California grape growers such as Di Giorgio and Gallo have often been in the news, some of the largest growers and banks have been working behind the scenes to oppose the organizing efforts of the United Farmworkers Union.

J. G. Boswell is one of the biggest farmers in the U.S., controlling 110,000 acres of farmland in California. Boswell runs cattle feedlots, grows fruits and vegetables (including grapes), and is the world's largest grower of cotton.

Boswell's ties with government have been very profitable for him. Over a five-year period, the Department of Agriculture paid him over **$21 million** in subsidies for not farming parts of his land.

For years, Boswell has fought the United Farmworkers Union. He has even brought in Boy Scouts and high school football teams as scab labor to pick his grapes when the union struck his fields.

On top of this, Boswell's connections with Safeway have helped guarantee that Safeway refused to honor the UFW's boycott of non-union grapes and wines. These connections are very direct. J. G. Boswell is a director of Safeway Stores Inc., and Robert McGowan, Safeway's chairman, is a director of the Boswell company.

BANK OF AMERICA

In addition to being a force behind the scenes throughout the food industry (see pg.), the **Bank of America** has actively opposed the organizing efforts of farmworkers. In 1968, the bank foreclosed on a 5000 acre grape ranch near Delano and set up a dummy company to operate it with non-union workers.

In 1972, the B of A donated $10,000 under the table to agribusiness' war chest in the Proposition 22 campaign in California. Had Prop. 22 passed (it went down to defeat 2-1), it would have denied California farmworkers the right to organize and conduct secondary boycotts. The bank is also known to have offered extra financing to growers being hurt by UFW strikes and boycotts.

Anti-union grape growers such as Di Giorgio and Petri sit on the bank's board of directors. And since the Bank of America owns a large chunk of Safeway stock (158,000 shares), the B of A directors are in good position to make sure that scab grapes and wines have ready outlets in 12,000 Safeway stores across the country.

YOUR BOSS IS BLAMING HIGH FOOD PRICES ON YOUR OUTRAGEOUS DEMANDS.
WHAT A LIE! IS $2.00 AN HOUR FOR BENDING DOWN IN A HOT FIELD AN OUTRAGEOUS WAGE?
I HADN'T REALLY THOUGHT ABOUT IT THAT WAY. SURE ISN'T MUCH.
FARMWORKER
WE HAD TO FIGHT FOR EVEN THAT. IT TOOK US FIVE YEARS TO GET HEALTH PROTECTION AND A NINE HOUR DAY. NOW THE GROWERS AND TEAMSTER LEADERS ARE TRYING TO DESTROY OUR GAINS. THEY'RE WILLING TO SHOOT US DOWN TO DESTROY OUR UNION.
AREN'T YOU GETTING ANY PROTECTION FROM THE GOVERNMENT?
THE POLICE ARREST US, THE COURTS USE INJUNCTIONS AGAINST US, THE DEFENSE DEPT. EVEN BOUGHT UP SCAB LETTUCE AND GRAPES DURING THE BOYCOTT.
WHO DO YOU THINK IS RESPONSIBLE FOR HIGH FOOD PRICES?
WE DO ALL THE HARD WORK— THE GROWERS, PROCESSORS, AND CHAIN STORES GET ALL THE PROFITS.
HE'S RIGHT. WHEN YOU PAY 34¢ FOR LETTUCE, ONLY ONE PENNY GOES TO PAY FARM LABOR COSTS.
THAT'S WHAT WE'RE FINDING OUT, TOO. BUT WHAT CAN WE DO?
WE SHOULD ALL STICK TOGETHER. WE'RE FIGHTING THE BIG CORPORATIONS RESPONSIBLE FOR BIG PRICES
I CHANGED GROCERY STORES TO SUPPORT THE BOYCOTT.
MANY CHAIN STORES ARE TIED IN WITH THE GROWERS. HAVE YOU CHECKED THEM OUT?
LET'S GO!

WHO CONTROLS THE FOOD WE NEED?

Food is one of America's largest businesses, worth over $110,000,000,000 annually. Despite the many brands lining our grocery shelves, control of such a crucial and profitable part of the economy is now in the hands of a few giant firms.

Within agribusiness, giant firms own increasingly more food products.

- Post cereals, Maxwell House coffees, Bird's Eye Foods, Jell-O, Minute Rice, Tang, Gaines Pet Foods, Good Seasons Salad Dressing, and Log Cabin Syrup are just some of the products owned by **General Foods**
- Pepperidge Farms, Franco-American Spaghetti, Swanson Frozen Foods, and V-8 Juice are just some of the products of **Campbell's Soups**
- In addition to Wheat Chex, Rice Chex, and its other cereals, **Ralston-Purina** owns Chicken of the Sea tuna.

Some of the country's largest companies, not usually associated with food, are also marketing and profiting from food.

- ITT owns Wonderbread and Hostess Cupcakes
- Greyhound owns Armour Meat
- Dow Chemical farms lettuce
- Boeing Aircraft is farming potatoes while Los
- Angeles Times Mirror runs one of the largest cattle ranches in the country.

Behind the scenes the giants are linked together. Through their boards of directors and stock ownership, all corporations plan together and cooperate to increase their power.

In addition to being the Executive Chairman of Safeway, Robert Magown sits on the Boards of several key agribusiness industries, including Del Monte, Caterpillar Tractor, J. G. Boswell, and Southern Pacific (largest landholder in California).

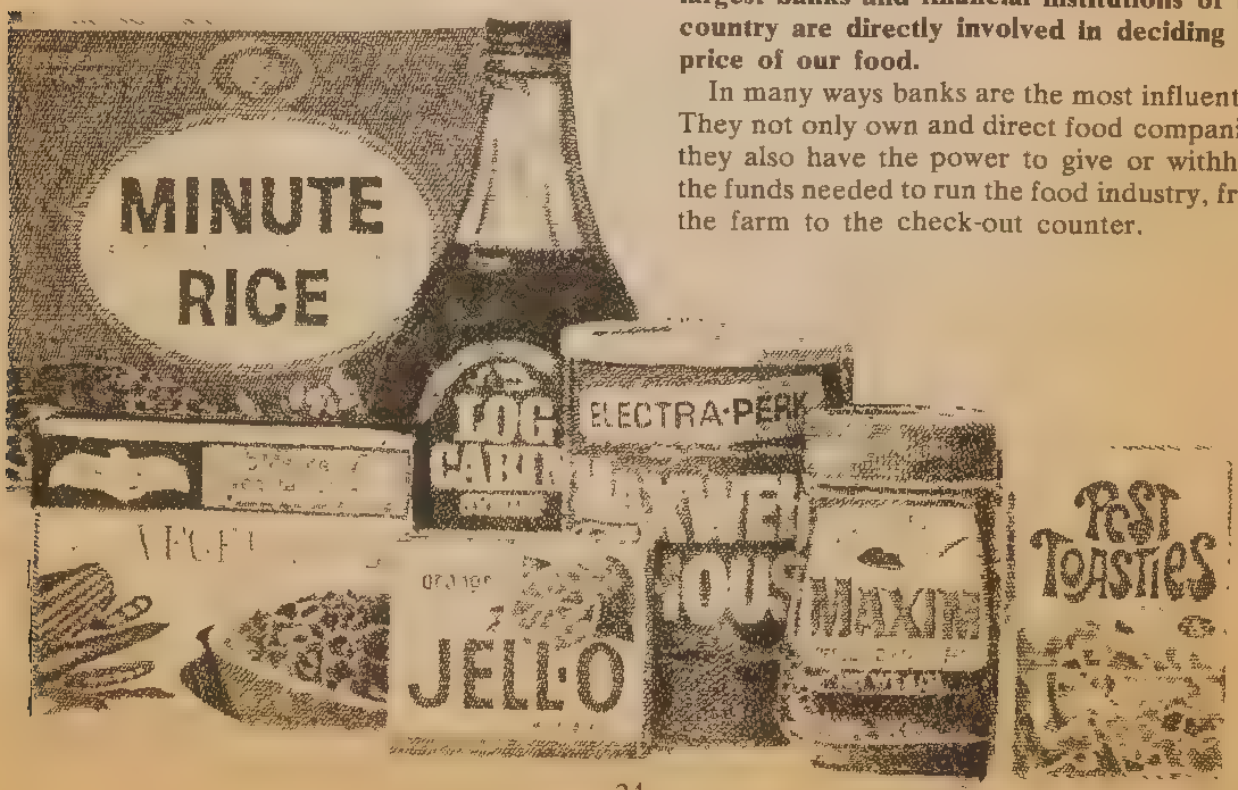
Campbell's Soups has ties with Bethlehem Steel, General Electric, Ford, Goodrich and AT&T.

Del Monte has ties with PG&E, AT&T, Standard Oil of Calif., Chrysler, and Caterpillar Tractor, to name just a few of the biggest.

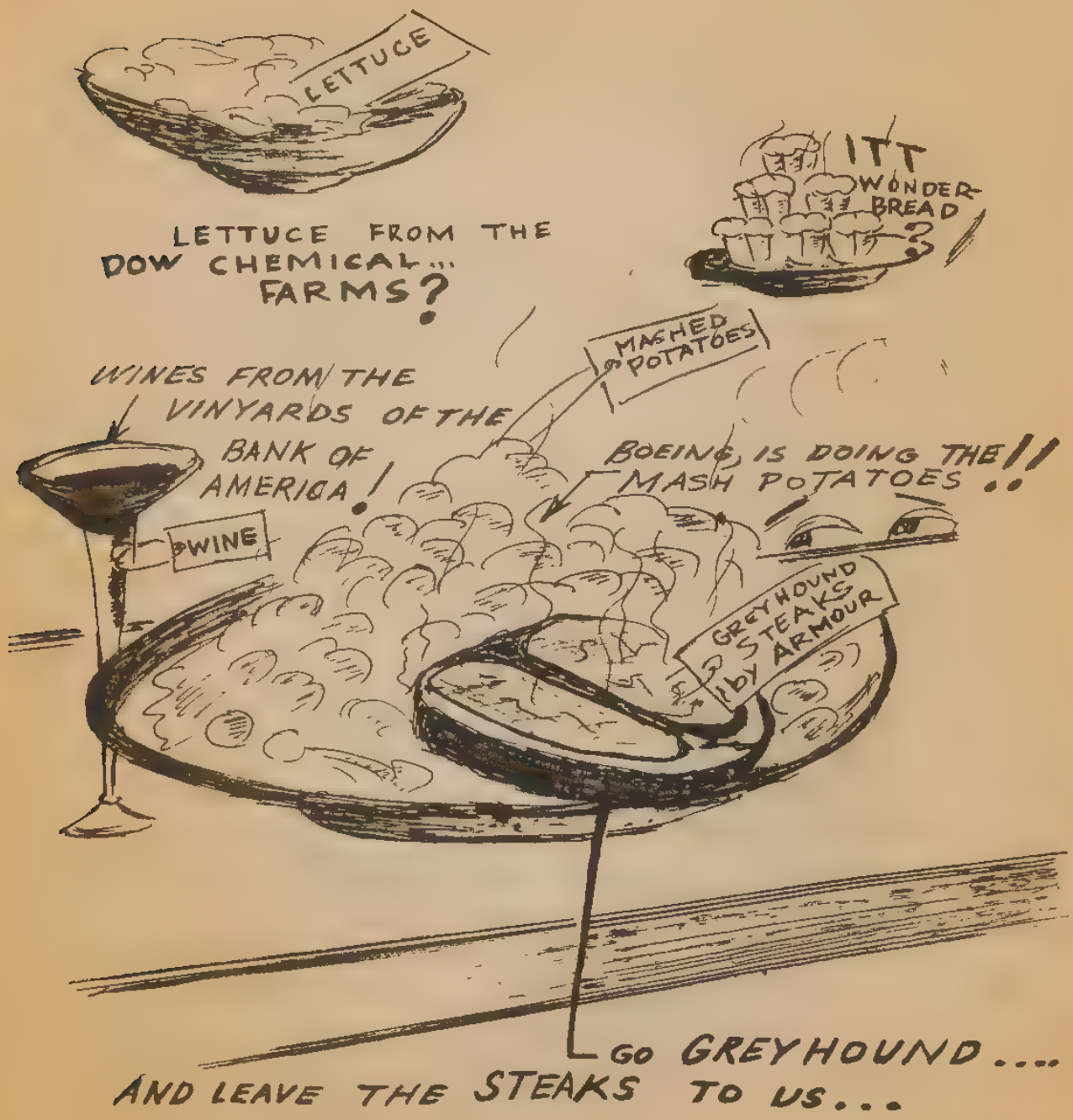
BANKS BEHIND THE SCENES

Control of our food does not stop here. The largest banks and financial institutions of this country are directly involved in deciding the price of our food.

In many ways banks are the most influential. They not only own and direct food companies; they also have the power to give or withhold the funds needed to run the food industry, from the farm to the check-out counter.



Guess who's coming to dinner



by Carlton Terry

The largest private bank in the world, Bank of America, is tied in with every aspect of the food industry.

- It owns or controls 101,462 acres of *land* (some of which it got by foreclosing on over 1000 families during the Depression)
- It collects huge interest payments for *financing irrigation* projects for farm land
- It makes money from *farm machinery* through ownership of 254,000 shares of Caterpillar Tractor
- It makes money from the farming operations of Bud Antle lettuce, American Potatoe, Union Sugar, Basic Vegetable Products, Inc., and Foremost McKisson Dairies
- It makes money from *food processing* and *retailing* by owning 158,000 shares of Safeway and 635,000 shares of Tenneco
- In addition, Bank of America is the *world's largest agricultural lender*, earning interest on loans worth a *billion* a year. By deciding who can or cannot get a loan, they can quietly but effectively influence all of agribusiness

And Bank of America is not the only one. Chase Manhattan votes a controlling stock in Safeway and has close ties with General Foods. Two other banks also sit on Safeway's Board. And to continue with our look at Campbell's Board, we find they are also tied with such financial powers as the Morgans, the Rockefellers, and Prudential Life.

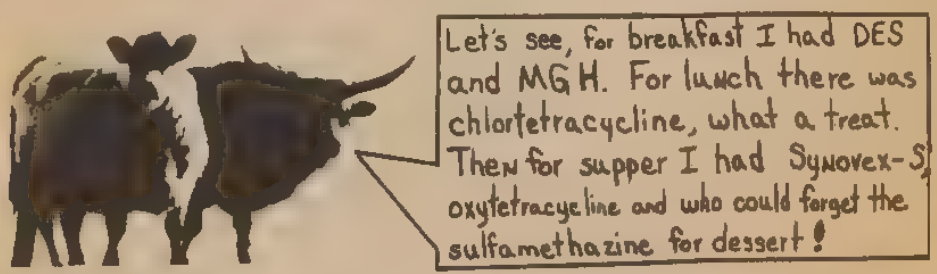
Clearly, control of food is no small business. It is in the hands of the industrial and financial giants of this country, not our own.

DO YOU KNOW WHAT YOU'RE EATING?

According to the Department of Agriculture, the "average American eats a less nutritious diet today than he or she did 10 years ago. The nutritional value has been processed out of most of the food we eat today (cereals, breads, canned foods, etc.), and potentially cancerous chemicals have been processed in.

Most cattle are not allowed to graze naturally, but are stuck in a feed lot aad force-fed hormones and drugs to fatten them faster, on less real food.

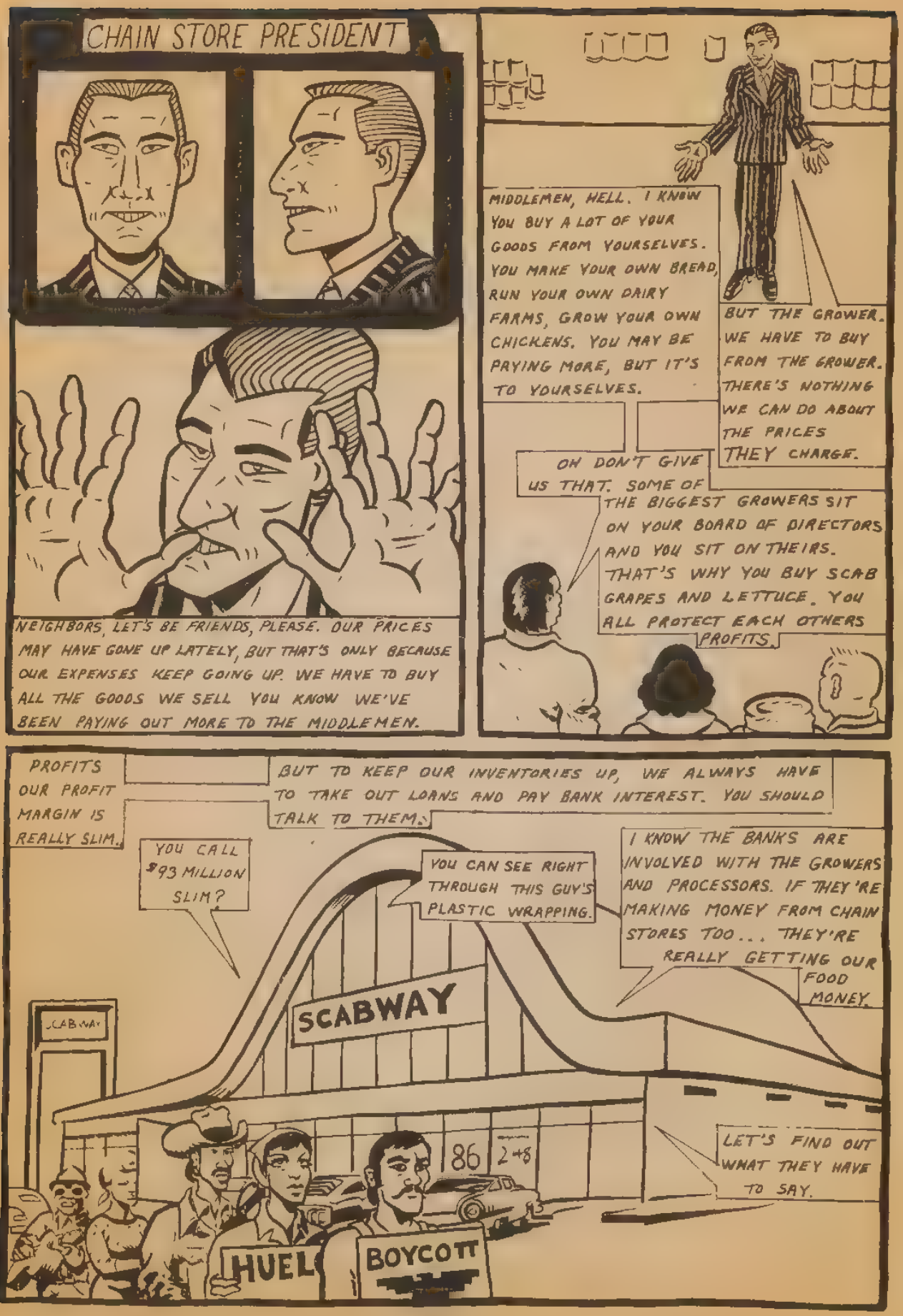
"Fresh" fruits and vegetables are now artificially fertilized, picked before they're ripe, then ripened artificially. More and more apples are being waxed, gassed, and dyed red, in order to make them more "marketable."


Let's see, for breakfast I had DES and MGH. For lunch there was chlortetracycline, what a treat. Then for supper I had Synovex-S, oxytetracycline and who could forget the sulfamethazine for dessert!

HARD TOMATOES

Have you noticed that tomatoes aren't as tasty or tender as they used to be? Ask the big tomato growers why. In order to use new mechanical pickers they've brought in to take the place of farmworkers, they've had to replace the easily bruised vine-ripened tomato we used to buy. The replacement: a new type of hard tomato that is harvested mechanically, ripened artificially, and tastes like mush.

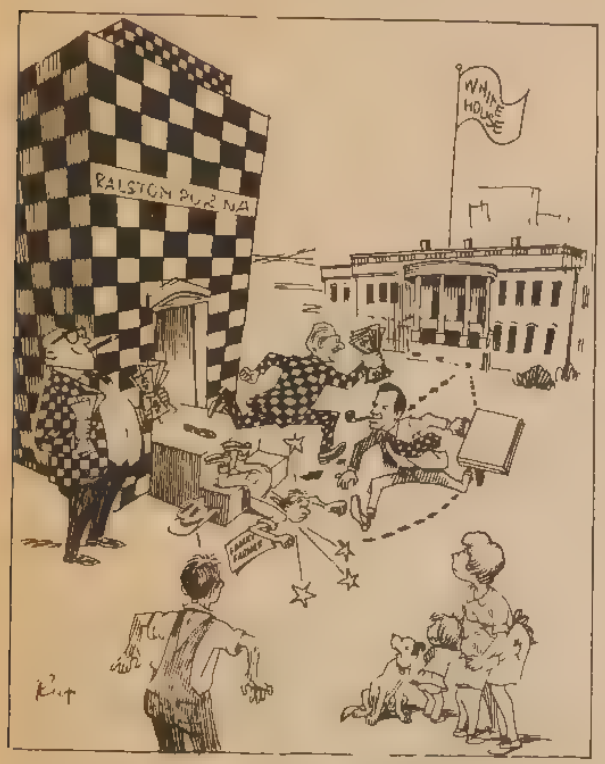
What is the Food and Drug Administration doing about all this? Why don't they guarantee us nutritious food? The fact is that General Mills' 1972 advertising budget was larger than the entire budget of the FDA's Bureau of Foods. No wonder Betty Crocker's Butter Pecan cake mix got away with including **no** butter and **no** pecans!


CHAIN STORE PRESIDENT
NEIGHBORS, LET'S BE FRIENDS, PLEASE. OUR PRICES MAY HAVE GONE UP LATELY, BUT THAT'S ONLY BECAUSE OUR EXPENSES KEEP GOING UP. WE HAVE TO BUY ALL THE GOODS WE SELL. YOU KNOW WE'VE BEEN PAYING OUT MORE TO THE MIDDLEMEN.
MIDDLEMEN, HELL. I KNOW YOU BUY A LOT OF YOUR GOODS FROM YOURSELVES. YOU MAKE YOUR OWN BREAD, RUN YOUR OWN DAIRY FARMS, GROW YOUR OWN CHICKENS. YOU MAY BE PAYING MORE, BUT IT'S TO YOURSELVES.
BUT THE GROWER. WE HAVE TO BUY FROM THE GROWER. THERE'S NOTHING WE CAN DO ABOUT THE PRICES THEY CHARGE.
OH DON'T GIVE US THAT. SOME OF THE BIGGEST GROWERS SIT ON YOUR BOARD OF DIRECTORS AND YOU SIT ON THEIRS. THAT'S WHY YOU BUY SCAB GRAPES AND LETTUCE. YOU ALL PROTECT EACH OTHERS PROFITS.
PROFITS OUR PROFIT MARGIN IS REALLY SLIM.
BUT TO KEEP OUR INVENTORIES UP, WE ALWAYS HAVE TO TAKE OUT LOANS AND PAY BANK INTEREST. YOU SHOULD TALK TO THEM.
YOU CALL $93 MILLION SLIM?
YOU CAN SEE RIGHT THROUGH THIS GUY'S PLASTIC WRAPPING.
I KNOW THE BANKS ARE INVOLVED WITH THE GROWERS AND PROCESSORS. IF THEY'RE MAKING MONEY FROM CHAIN STORES TOO... THEY'RE REALLY GETTING OUR FOOD MONEY.
SCABWAY
SCABWAY
86
2+8
LET'S FIND OUT WHAT THEY HAVE TO SAY.
HUEL
BOYCOTT

"GOVERNMENT CONCERN"

The giants of U.S. industry and finance have an enormous amount of political influence. They have historically pooled their power to guarantee that the U.S. government responds to their interests.

How does this apply to food? To begin with, key government positions related to food are staffed by agribusiness representatives, with very few exceptions. Hence they have the power to systematically put the needs of agribusiness corporations over the needs of consumers and food industry workers.



REVOLVING DOORS

The man most directly in charge of food illustrates the food industry's dominant voice in government. Agriculture Secretary Earl Butz is agribusiness's man. He came to the Department from Ralston Purina, where he was on the Board of Directors. The Agriculture Secretary before Butz, Clifton Hardin, went directly to Ralston Purina when he left Washington. All that's between the U.S. Agriculture Department and Ralston Purina is a set of revolving doors.

"When meat prices went soaring in early 1973, Earl Butz showed his true colors when he responded, "You won't get me to apologize for high meat prices. I'm spending money like a drunken sailor." (*Time*, 4-9-73)

All through this pamphlet we have presented other examples of the U.S. government's concern for agribusiness: land subsidies for not growing crops, irrigation subsidies to increase yields, and export subsidies to assure high grain prices and profits. In addition taxes for growers are only ½ the rate workers have to pay.

THE FREEZE ON MEAT PRICES

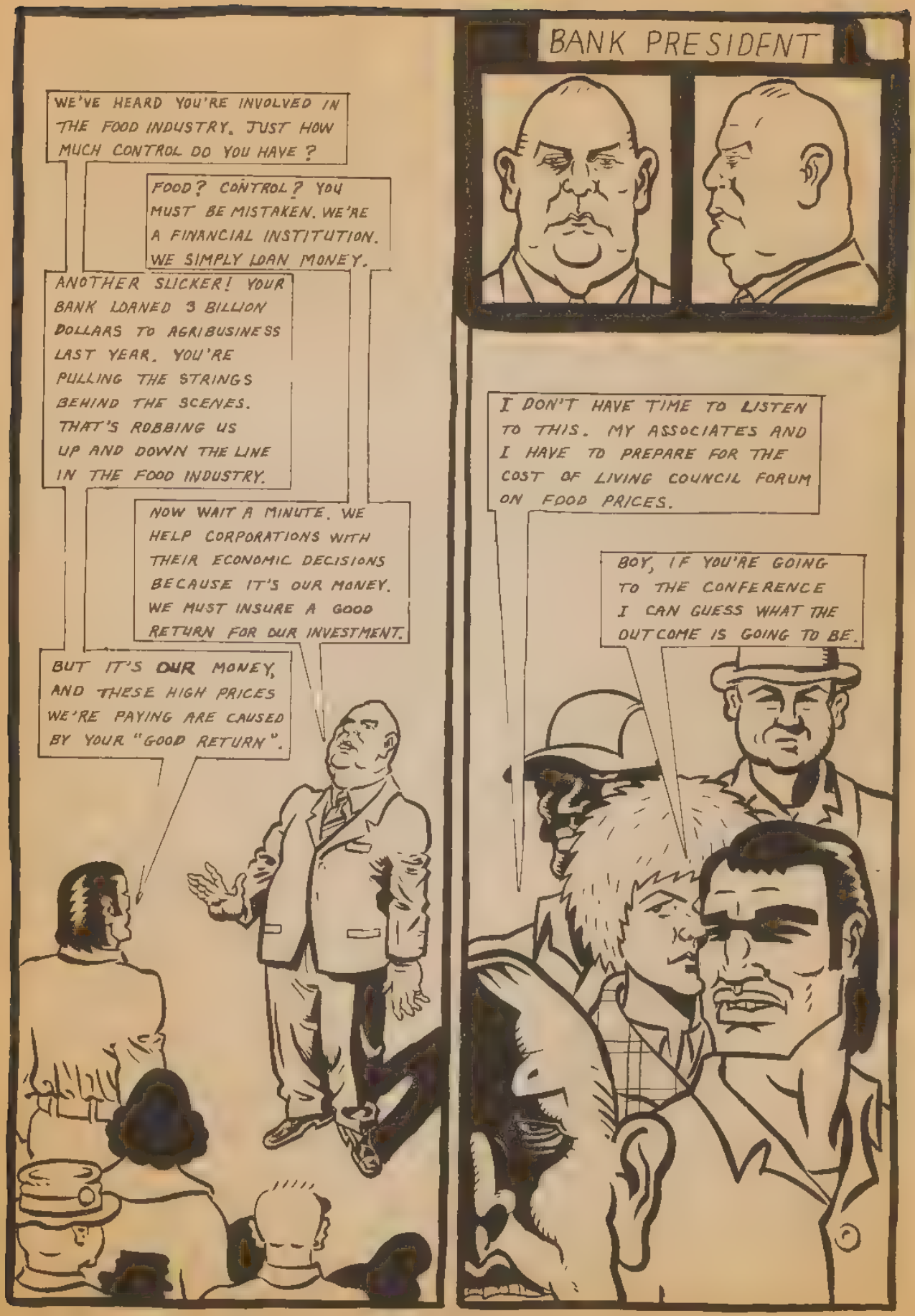
The freeze on meat prices in July 1973 is a good example of how government policies never work against agribusiness, even when they appear to.

In the first half of 1973, meat prices skyrocketed by 50 per cent on the average. As consumer groups launched meat boycotts and the newspapers carried stories of people on pensions being forced to steal food from the supermarkets, Nixon's "Cost-of-Living Council" was pressured to freeze meat prices (at record high levels).

Did this government control hurt the giants in the meat industry? Not in the long run. For what happened? With profit margins lowered by the "freeze," the big meat processors and feed-lot owners (like Iowa Beef) simply withheld their beef from the market.

The government voiced no objections. Instead, Earl Butz pushed for "meatless days" and talked about how delicious cheese was. (Note: they didn't control the price of cheese.)

The government froze meat prices at the retail end only. Agribusiness and the government


WE'VE HEARD YOU'RE INVOLVED IN THE FOOD INDUSTRY. JUST HOW MUCH CONTROL DO YOU HAVE ?
FOOD? CONTROL? YOU MUST BE MISTAKEN. WE'RE A FINANCIAL INSTITUTION. WE SIMPLY LOAN MONEY.
ANOTHER SLICKER! YOUR BANK LOANED 3 BILLION DOLLARS TO AGRIBUSINESS LAST YEAR. YOU'RE PULLING THE STRINGS BEHIND THE SCENES. THAT'S ROBBING US UP AND DOWN THE LINE IN THE FOOD INDUSTRY.
NOW WAIT A MINUTE. WE HELP CORPORATIONS WITH THEIR ECONOMIC DECISIONS BECAUSE IT'S OUR MONEY. WE MUST INSURE A GOOD RETURN FOR OUR INVESTMENT.
BUT IT'S OUR MONEY, AND THESE HIGH PRICES WE'RE PAYING ARE CAUSED BY YOUR "GOOD RETURN".
BANK PRESIDENT
I DON'T HAVE TIME TO LISTEN TO THIS. MY ASSOCIATES AND I HAVE TO PREPARE FOR THE COST OF LIVING COUNCIL FORUM ON FOOD PRICES.
BOY, IF YOU'RE GOING TO THE CONFERENCE I CAN GUESS WHAT THE OUTCOME IS GOING TO BE.

worked out this fake "price freeze," knowing it would result in shortages. Then they used these shortages to tell us, "See, this proves that price freezes won't work."

Just as in the case of the retail gas price freeze., agribusiness and the government used the "food freeze" to convince us we can't do anything about rising prices. They tried to hide their responsibility for the high prices. The public was maneuvered into demanding price controls lifted. Continental Grain, Iowa Beef and the other big corporations were mainly responsible for the skyrocketing grain and meat prices. They were never brought into the public view.

THE BIG GET BIGGER

The freeze on meat prices is also an example of how government policies aid the food industry's push toward monopoly control and higher prices. In this case, the big ranchers, meat processors, and supermarket chains had the political influence to guarantee the freeze would not last long, and the economic strength to absorb any temporary losses. On the other hand, the independent ranchers, meat packers, and local butchers were squeezed badly by the government policy. Many were even driven out of business.

Just as in the oil industry, manufactured "shortages" are forcing the little guys to close out, leaving the field wide open for the industry giants. Thus the end result of all the government "regulation" of meat prices will be even bigger, more powerful food companies and steadily rising prices.

TAX-LOSS FARMING

Another aid government gives agribusiness is through what's called "tax-loss farming." This allows agriculture-related corporations to subtract any losses they take in farming from profits they make in their other businesses, dropping them into lower tax brackets and actually saving them money. Thanks to the Internal Revenue Service's policy, agribusiness can use losses to drive out competition. There may be lower prices for a while, but in the long run the independent farmers are driven out and agribusiness giants are free to raise prices whenever they want to.

BUTTERING UP THE GOVERNMENT

The control agribusiness exercises over the government is more obvious in the case of the dairy industry. Here are some of the campaign contributions made by the dairy industry to key congressmen in 1973:

Mills	House Ways & Means Committee	$29,600
Huddleston	Senate Agriculture Committee	$18,500
Eastland	Senate Agriculture Committee	$15,000
Jones	House Agriculture Dairy Subcom.	$11,000
Bowen	House Agriculture Dairy Subcom.	$9,000
Poage	House Agriculture Committee	$12,500
Litton	House Agriculture Committee	$11,150

This list is definitely incomplete.

In addition, the Mid-American Dairymen's Assoc. gave $300,000 to the Committee to Re-Elect the President. The Association Producers of Texas gave $197,500, while many smaller cooperatives gave $50,000 each.

BILLION DOLLAR GIVE-AWAY

In the summer of '73, with the U.S. eager to sell as much food abroad as possible, the government's land subsidy program was called to a halt. But **not** before incredible amounts of taxpayer money found its way to some strange places:

In 1970 more money was paid to farmers **not** to grow food than was paid for all federal, state, and local welfare **combined!**

Since '69, 4.1 BILLION dollars in subsidies have been paid out, largely to corporate farmers and wealthy indidivduals

John Wayne received $218,000 in 1970. When a $55,000 limit threatened to cut this back, he simply "divided" his properties, naming them Rio Bravo, Red River, etc., and keeping his subsidy total intact.

Why payments were made to keep such land idle is a question that few Agriculture Dept. officials wish to discuss."

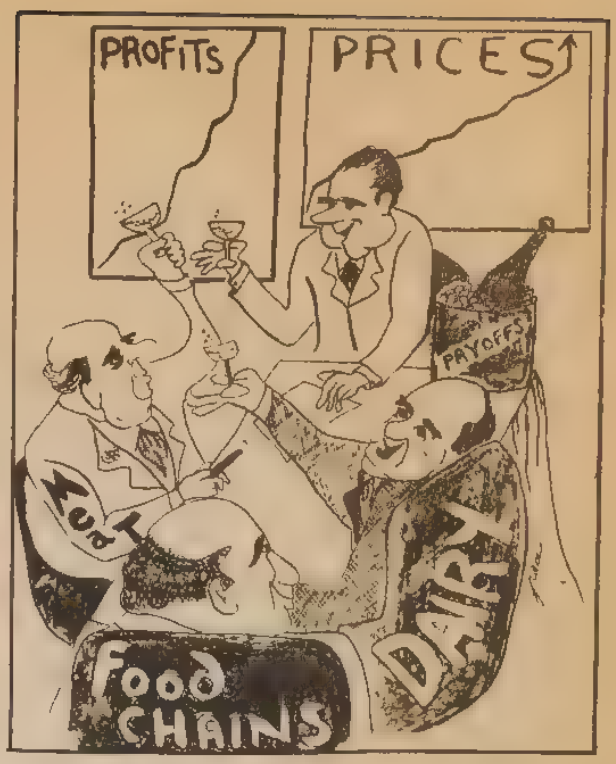
When the farming giants claim they haven't had their "fair share" of the food dollar in recent years, they should be asked what their share of the subsidy program was!

On October 30, 1973, the *San Francisco Chronicle* reported even more extensive dairy industry contributions:

> "Investigative sources have revealed that President Nixon received a letter in December, 1970, from a dairy representative reminding him . . . that the industry had $2 million available for '72 campaign contributions, but that aid for . . . dairy farmers was necessary if they were to continue their support."

The grease applied, the dairy industry won a 10 per cent increase in dairy subsidies from Nixon in '71. Milk tariffs requested by the dairy industry were also approved. In July '73, the dairy industry approached Congress with a bill to raise raw milk prices and won easy Congressional and Presidential approval.

"All told, the moves were worth more than $500 million to the nation's milk producers," the *Chronicle* stated.



WAGE-"PRICE" CONTROLS

When the government claims to be fighting high prices and defending the American Housewife, what happens? Look at the record.

In 1972, during Phase 2, the Price Commission approved 94 per cent of all price increases. "Those that got turned down are those 6 per cent of American Businessmen that cannot fill out forms correctly." (Statement by Brookings Institute)

Phase 3, 3½ and 4 have been no different. While workers' wages have been watched like a hawk, the government has looked out for agribusiness. Food prices have gone berserk. The end result of all these government controls?

"Last week the average cost of feeding a family of four in the city (New York City) rose 4 per cent. It took an entire year for food prices to rise that much in the days before the Nixon Economic Stabilization program with all of its Phases went into effect." (*New York Times*, 9-9-73)

In summary: The government is staffed by representatives of agribusiness, subsidizes agribusiness with taxpayer money, and works up tax and price policies to increase the profits of these industrial and financial giants. Most important, the close relationship of agribusiness and government has greatly added to the monopoly control Safeway, Del Monte, Tenneco, and the rest of them have over the food we need and the prices we pay.

Sure, the government is concerned . . . for agribusiness, not for us.

CHINA: NO FOOD INCREASES IN 20 YEARS

In China, according to the San Francisco *Chronicle* (Sept. 4, 1973), "food prices have remained stable for some 20 years." In fact, the newspaper reports the average prices of meat and vegetables have actually **gone down** over that period, and rice has stayed the same. In the U.S. the government subsidizes agribusiness to make sure food prices stay up. But in China,the government seems to subsidize agriculture to help food prices stay down.

WHY NOW?

Everyone is aware of the big chunk inflation takes out of our paychecks at the grocery store checkout counter. More and more people are coming to realize that agribusinesses have played a direct role in driving prices up, as this pamphlet shows.

But the process of a few companies taking control of the food industry has been going on for some time. Why the huge jumps in food prices in the past year?

There are two basic reasons: the U.S. need to export food and growing speculation in the food commodity market.

1) The U.S. needs to export food to try to stabilize the whole economy.

For the past twenty years, the United States has generally spent more money overseas than other countries have spent here. U.S. business has invested huge sums of money for profit abroad ($108billion). To protect this there has been heavy military spending: for the war in Indochina, for troops in Western Europe, for support of unpopular governments in countries like Iran, the Union of South Africa, and the Phillipines.

Until recently the U.S. could offset these foreign expenses with huge sales of American products. During the last few years, however, the U.S. has bought more abroad and has not been able to cover its foreign investments and military expenses through trade. When a country falls in debt like this, with a "balance of payments" problem, it must do something.

The government tried a number of schemes. It tried to limit the amount of American money going to foreign companies by cutting back on the goods allowed to enter this country. It devalued the dollar to make U.S. goods cost less on foreign markets in the hopes more would be bought.

And it hit the American worker with wage controls and 5.5 per cent wage "guidelines," trying to make U.S. goods more competitive abroad. *We* were expected to make sacrifices to pull U.S. *business* out of trouble. But none of these efforts have worked.

THE PUSH TO EXPORT

This decision to sell more abroad explains why, during the summer of '73, the government cut the subsidy for not growing food and didn't freeze the price of raw agricultural products. The government hoped farmers would be motivated to grow as much as possible.

Finally it tried the ace in the hole. Washington decided to bring more money to the U.S. by selling our natural resources abroad, even though this means higher prices here. The government stepped up lumber sales to Japan under this plan, even though this meant a paper shortage at home.

And, as we all know, the government has decided to sell our wheat and soybeans to any country that can pay the price. In fact, in 1973 they exported ¾ of our wheat harvest to other countries. Even now, according to the *New York Times*, they are deliberately keeping wheat and soybean prices up so that farmers will grow for a big export crop next year.

Meanwhile the price of all grain and soybean-related products has been rising. Bread, meat, pasta, poultry, margarine, salad oils, eggs . . . all up from a year ago. We ran into the first big price jumps on these items with the first big grain and bean sales.

GRAIN SALES NO MISTAKE

But this is not just a one-shot deal. The grain sales were not a mistake, as some newspapers have suggested, or a miscalculation, as the Department of Agriculture has implied. It's strange to think we are subjected to wage controls and food shortages to support the Shah of Iran. The interests of business make this the case. Many foods will be in short supply with rising price tags as long as Washington keeps selling our food to "balance" its worldwide business and military expenditures.

2) **The second reason for the skyrocketing food prices is speculation in the food commodity market.**

Speculation involves buying up something today because you think tomorrow you can sell it for more. Big-money investors have been making deals like this with our food. Knowing that export-caused shortages will raise the price of grain and soybeans, investors have been competing with each other to buy these items.

Since so many speculators want to buy grain, the "Big 6" companies who control the supply can sell for very high prices. But the higher the price the speculator pays for the grain, the more he will have to sell it for to make a profit. He passes on his high cost to you and me in higher prices for bread, meat, etc.

HOARDING GRAIN

Also many speculators are deliberately holding on to their grains. By doing so they create even more of a shortage and then make even more of a profit. The Dept. of Agriculture estimated that the grain companies themselves, who are deep into food speculation through their own investment firms, held back 300 million bushels of wheat for speculative purposes.

California Food Action Project also reported that throughout most of the summer of '73 the Big 6 deliberately held back their '72 soybean surpluses. Ranchers, desperate because of the grain sale shortages, finally were forced to pay exorbitant prices for this feed.

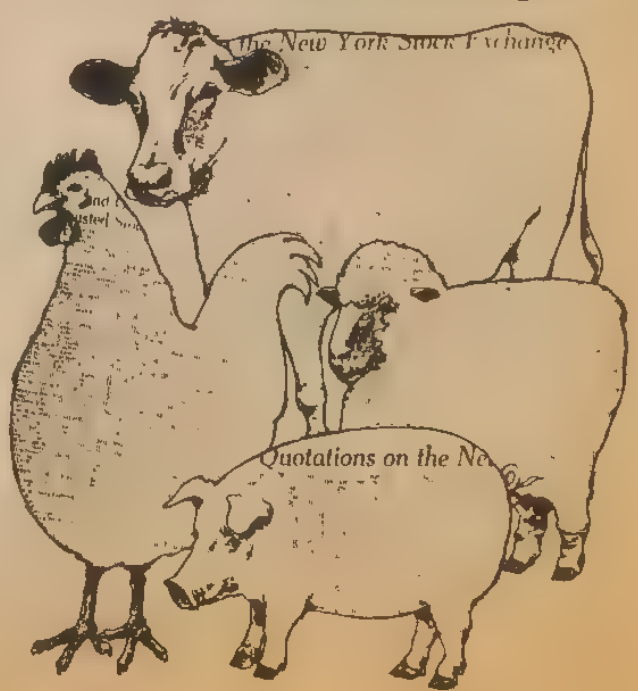
PLAYING THE COMMODITIES MARKET

The cost of all this speculation will, of course, be passed on to us. It won't be surprising if we see higher price tags this winter on the pork and beef that ate these expensive feeds. And, as we've seen, with grain hoarded, the price of bread is up already.

This speculation in food, or "commodities speculation" as the papers call it, is easiest to see in wheat or soybeans because the grain exports made the shortages so dramatic. But speculators are sticking their greedy hands into many of the foods we eat. As the economy gets into deeper water, they want to invest in something they know people will be buying even when times are bad. They take their money away from the stock market and invest in important basics like food.

For example, a July 19, 1973, *San Francisco Examiner* article talked about increased speculation in eggs, chickens, corn, cattle, hogs, and frozen orange juice—with the result that the price of all of them soared.

The wealthy of this country make profits out of food shortages, and money from our needs, driving already high food prices higher.



WHERE DO WE GO FROM HERE?

Who is responsible for the high food prices? Where should the finger be pointed and where should the pressure be put? This pamphlet has given some answers:

Workers, especially in the food industry, have had their wages held down. Wages are *not* the cause of high prices.
Fewer and fewer independent farmers, ranchers, and grocery owners are getting their hands on our food dollars. They clearly are not to blame.
Instead, as has been documented, agribusiness, with its monopoly powers, increasingly controls every level of food production and the price of everything we eat.

The result? The California Food Action Project sums up what our daily experience tells us: **"In a concentrated food economy, dominated by very large processors and marketers, prices do not go down, they go up. . . ."**

"Sorry, I'm lunching alone".

MONOPOLY POWER

The big corporations, in spite of their huge profits and fat corporate salaries, deny that they are responsible for the increase in food prices. However, the facts about vegetables, meat, milk, and grain tell a different story.

It is clear that we are not just up against a few particularly profit-seeking corporations. We are up against the structure of the entire food industry, including the banks that provide the financing. We are up against the government, whose officials work hand-in-glove with the big corporations.

Finally, as big corporations like ITT increasingly move into the food industry, we find ourselves up against the entire structure of the U.S. economy, which produces for profit, not for the people's needs.

COMMON STRUGGLE

In response, people are taking action. The April, 1973, meat boycott demonstrated that millions of people across the country are angry about food prices and are willing to take concerted action to defend their standard of living. The boycott showed the difficulties in taking effective action at the consumer level alone. The primary forces behind the rising prices weren't touched by the boycott.

We've seen how corporations that combine many stages of production have the ability to hold their products off the market until the shopper has to buy again. They have large enough profit margins to withstand temporary losses. Thanks to tax laws, companies like Greyhound (Armour Meat) can turn a loss in one area into a gain for their overall industrial empire.

In other words, agribusiness has the ability to protect its profits by shifting its operations around. Though the meat companies took some temporary losses, the meat boycott actually left them stronger by wiping many independents out of business.

SO WHAT IF PRICES GO UP. I DON'T SEE WHAT PEOPLE ARE BEEFING ABOUT. LIFE HAS NEVER BEEN BETTER.
EVERY TIME WAGES GO UP, MY PROFITS SUFFER.
THE GOVERNMENT UNDERSTANDS HOW YOUR PROFITS HAVE BEEN SQUEEZED. WE'LL TAKE YOUR PROBLEMS INTO CONSIDERATION.
PRICES HAVE TO GO UP IF WE'RE GOING TO MAINTAIN OUR PROSPERITY.
DID YOU SEE THE FAT CATS WHO WENT IN THERE? SURE AREN'T ANY WORKING PEOPLE IN THERE.
AGRIBUSINESS HAS GOT US IN A SQUEEZE!
OUR FOOD'S BEING CONTROLLED, AND IT'S SURE NOT BY US. WHERE'S OUR VOICE?
MAYBE AFTER THE NEXT ELECTIONS?
ELECTIONS? NO, I'VE SEEN TOO WELL HOW BUSINESS RUNS THE GOVERNMENT. LISTEN, HERE COMES THEIR DECISION.

Some of the essential targets for protest that have been ignored:

The Big 6 grain companies, wreaking havoc on the world's food situation by hoarding grain and absorbing incredible profits at our expense

Big-time speculators, playing profit games with our food

Top-to-bottom giants like Tenneco, expanding their control of food production to create monopoly profits, not reasonable prices

Government officials, furthering agribusiness interests while telling us to cut back on eating

The power of all these groups must be challenged.

BROAD COALITION NEEDED

A broad coalition of working people and consumers—including unions, women's groups, churches and other organized groups—is needed to successfully take on such a challenge of agribusiness and its government allies. Throughout the country workers and consumers are already beginning this struggle.

Nationally, consumer groups such as the Food Action Campaign and Women United for Action have formed chapters in many states. They are doing widespread education to expose the corporations and banks as the real causes behind outrageous food prices.

The Food Action Campaign is demanding enforcement of anti-trust laws and development of laws against tax-loss farming. It is also calling for "a public examination of the capital structure of the food economy, with particular attention to the ownership of retail food chains and of beef feedlots."

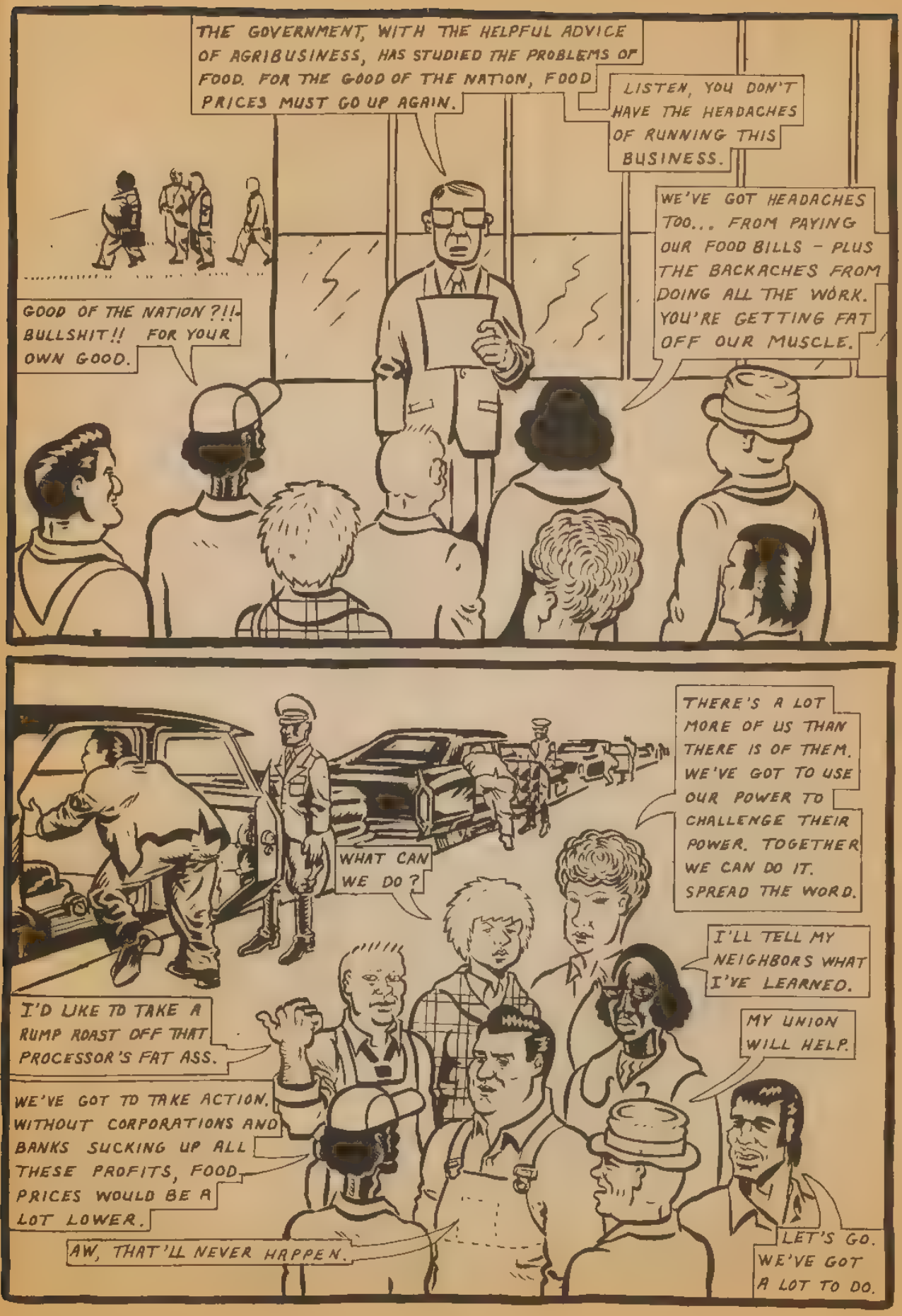
Women United for Action has demanded lower food prices and an end to wage controls that enforce limits on workers' incomes and allow prices and profits to soar. **They have actively picketed supermarkets throughout the country and determinedly confronted agribusiness executives.**

The San Francisco-based Del Monte Corporation has a large spinach processing and canning plant in Crystal City, Texas, that employs mostly Chicano workers. These workers, paid only $2.12 to $3.09 an hour, and supporters from Crystal City (whose population is over 80 per cent Chicano) have united with consumer groups like the Food Action Campaign to launch a national campaign against Del Monte. In September, 1973, they even sent members of their union, Obreros Unidos Independientes, to San Francisco to confront Del Monte's executives at their Board of Directors meeting.

In Norfolk, Virginia, there's a strike at the J. H. Miles company, which supplies oysters and clams to Campbells Soup. One hundred women, most of them Black, have been on strike for improved wages and working conditions, and for more sanitary food processing. Although Campbell has cornered 90 per cent of the soup market, and made sixty million dollars profit in 1972, it's subsidiary Miles only pays $2.15 an hour with no overtime pay.

One woman said, "We have to work in ice cold water. Some women stand in it all day." "The meat gets so rotten it makes you sick," said another. "I used to buy Campbell's clam chowder for my family, but since working at Miles I'd be afraid to serve it to them.

Supporters of the strike have called for a national boycott against Campbell's oyster and clam soups. Already nearby United Electrical workers donated several hundred dollars to the fight against Campbell.


THE GOVERNMENT, WITH THE HELPFUL ADVICE OF AGRIBUSINESS, HAS STUDIED THE PROBLEMS OF FOOD. FOR THE GOOD OF THE NATION, FOOD PRICES MUST GO UP AGAIN.
LISTEN, YOU DON'T HAVE THE HEADACHES OF RUNNING THIS BUSINESS.
WE'VE GOT HEADACHES TOO... FROM PAYING OUR FOOD BILLS - PLUS THE BACKACHES FROM DOING ALL THE WORK. YOU'RE GETTING FAT OFF OUR MUSCLE.
GOOD OF THE NATION?!! BULLSHIT!! FOR YOUR OWN GOOD.
THERE'S A LOT MORE OF US THAN THERE IS OF THEM. WE'VE GOT TO USE OUR POWER TO CHALLENGE THEIR POWER. TOGETHER WE CAN DO IT. SPREAD THE WORD.
WHAT CAN WE DO?
I'LL TELL MY NEIGHBORS WHAT I'VE LEARNED.
I'D LIKE TO TAKE A RUMP ROAST OFF THAT PROCESSOR'S FAT ASS.
MY UNION WILL HELP.
WE'VE GOT TO TAKE ACTION. WITHOUT CORPORATIONS AND BANKS SUCKING UP ALL THESE PROFITS, FOOD PRICES WOULD BE A LOT LOWER.
AW, THAT'LL NEVER HAPPEN.
LET'S GO. WE'VE GOT A LOT TO DO.

Nationwide, similar unity has been shown in the farmworkers' struggle. For over 10 years the farmworkers have been fighting against the growers, the chain stores, and their allies in government, to build the United Farmworkers Union. They have been able to mobilize support from other workers, the Chicano people, and a broad section of the American people, including the Del Monte workers in Crystal City.

Presently Gallo farmworkers, after a summer of striking in the field, are traveling to most of the major cities to get scab wines taken off the shelves. Farmworkers have exposed the role of the food giants like Safeway and A&P in the growing and marketing of scab agricultural products. And they have shown that these huge monopolies can be taken on.

These actions should not be seen as separate struggles. They are all linked because they are all confronting the power and profits of U.S. agribusiness corporations.

WAGE CONTROLS PART OF THE FIGHT

Wage earners have no choice. They must fight for higher wages to keep up with food prices as the other struggles are being started. They have to feed their families. Unions such as the Amalgamated Meat Cutters (which held a nationwide one-day strike against the Wage Freeze in late 1972) have helped point the way to action against government's control of wages.

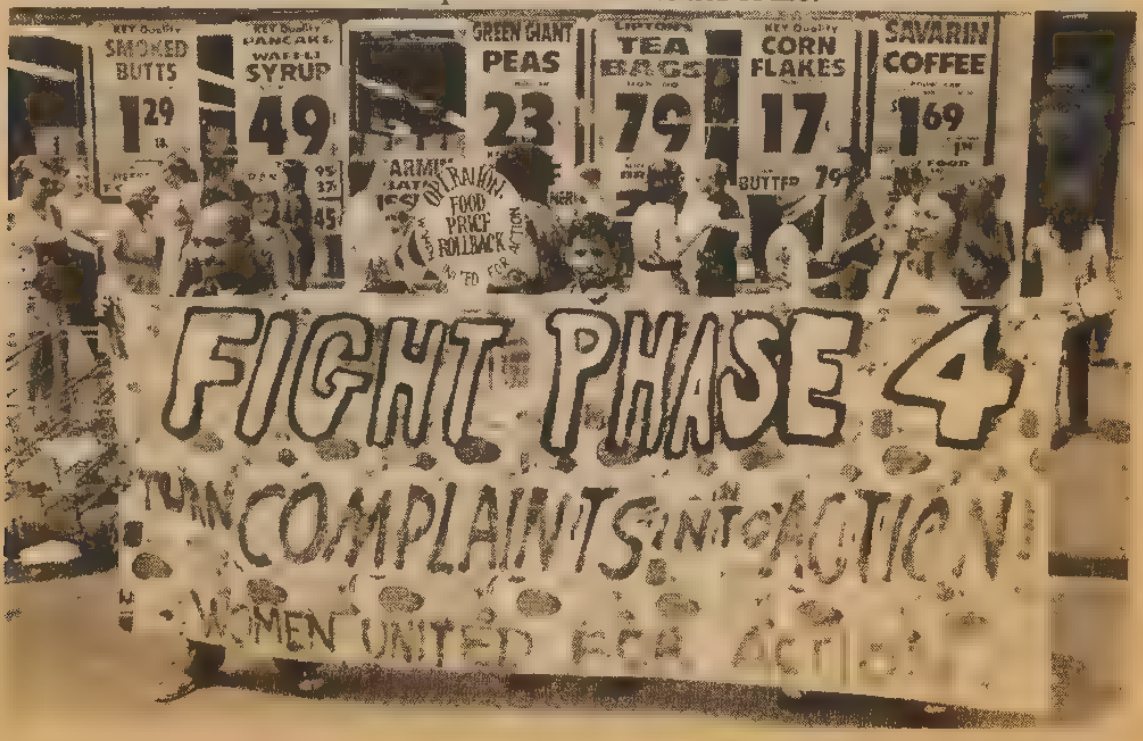
UNITED ACTION

United action on all these fronts is required. The giants of industry and and government do not change their policies unless they are faced with unified mass pressure. If food workers, farm workers, consumers, and everyone struggling to keep their wages up all fight together, we can force concessions that will be given up no other way.

.And as we focus on Continental Grain, Iowa Beef, ITT or Bank of America, one measure of our success will be the extent to which we can bring their role out into the open. We have to bring grain dealer Cargill and Safeway director McGowan face to face with the American public, even if they don't shoot their mouth off like Earl Butz.

Such corporate spokesmen will try to hide their role in food prices by saying that "we are all in this together." Well, we are. But they are on one side and consumers and wage earners are on the other. They have a great deal of money and power. We have the strength of millions of people who have a common struggle against the same enemy. And as we struggle against Cargill, Safeway, or the Dept. of Agriculture, we will learn even more about the forces we are up against and how to fight them effectively.

In the end it will come down to whether production is organized for profit or for people's needs. Good quality food at low prices is a basic right of every human being. We do not have the choice of eating or not. And no one should have the ability to blackmail us into paying exorbitant prices in order to get the necessities of life.



FOOD IS A RIGHT
NOT A PRIVILEGE
IS A
RIGHT
IT'S NOT JUST OUR FIGHT
VIVA LA HUELGA
BOYCOT
ITS NOT
GOING TO
CHANGE
BY ITSELF ,
FIGHT
TO
CHANGE IT
PEOPLE POWER
NOT CORPORATE POWER
EVERY PRICE
INCREASE IS
A WAGE CUT
LOCAL
43
AFL-CIO

OF RELATED INTEREST FROM UFP

Wage Controls and How to Fight 'Em: Describes the effects of wage controls on working people and what some people have done to oppose them. Contains an analysis of the economic situation in the country that led to the imposition of controls. 10 cents

Si Se Puede: The story of the ten-year struggle of farmworkers for their union, the United Farmworkers of America. Covers the fierce battles of summer 1973 against the grower-government-teamster leaders alliance. Describes the history of the UFWU since 1965 and earlier struggles of farmworkers of all nationalities to organize the fields of California. (English and Spanish) 25 cents

The Farah Strike: The story of 4000 employees (mostly Chicana women) who have been battling the Farah Mfg. Co for three years to get a union. Farah, the world's largest manufacturer of men's pants, has refused to give in. They have been on strike since May '72. 25 cents

The Energy Crisis: This pamphlet will be ready in February, 1974.

Our Lives Are at Stake: This booklet tells the story of the strike by the Oil, Chemical and Atomic Workers Union against Shell Oil Company in 1973. This was the first national strike for health and safety contract protection by a US trade union. 40 cents

International Runaway Shop: Why US Companies are moving their plants abroad. 40 cents

Send for our free catalogue.

Weather Started It All?

AN ACT OF GOD?
BAD WEATHER CAUSED THE HIGH PRICES?

Sure there was bad weather last year. It didn't snow in Russia... It flooded in the Midwest...

And there were shortages. Of grain...& soybeans.

But just the shortages were not inevitable, because the weather was bad. The government held back its store of surplus grains until the "shortages" raised the price. The grain dealers held back their surplus soybeans the same way.

Even after the Russian grain failure was reported, U.S. farmers were still paid not to grow food.

Floods, droughts, hurricanes--bad weather somewhere is part of every year's food picture. If such events were properly taken into account, they would not need to play havoc with our food prices.

But, as this pamphlet has shown, agribusiness does not plan for bad weather; it profits from it. An "act of God" or highway robbery?

PRICES IN ORBIT

'ACT OF GOD'-- OR ROBBERY?

WAGES TOO HIGH?...

Inflation

High Prices

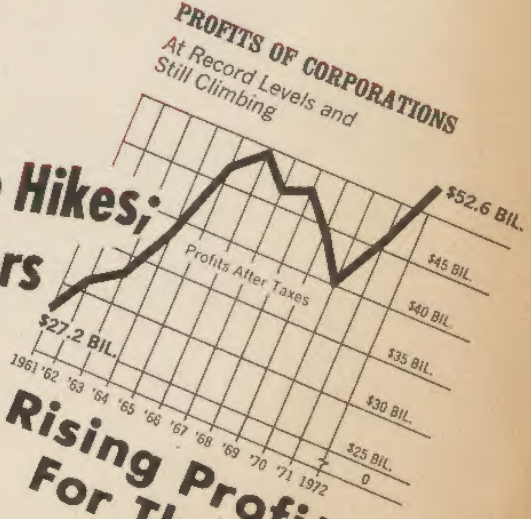
WAGE-PRICE SQUEEZE

Consumer in the meat grinder

If the dizzy food price spiral is making your head spin, get a grip on yourself and read what you can do about it

WHO'S TO BLAME

Money Speculators Feed Food Price Hikes; Nixon Scapegoats the Small Farmers



Rising Profits For The Rich

Price Rise Laid To War Cost

By CATHY TALLYN

A shortage of beef, high prices — inflation. Americans are thus feeling the effects of a choice by the U.S. government between "guns and butter"...

BALANCE OF PAYMENTS

and now consumers and businesses are feeling the effects.

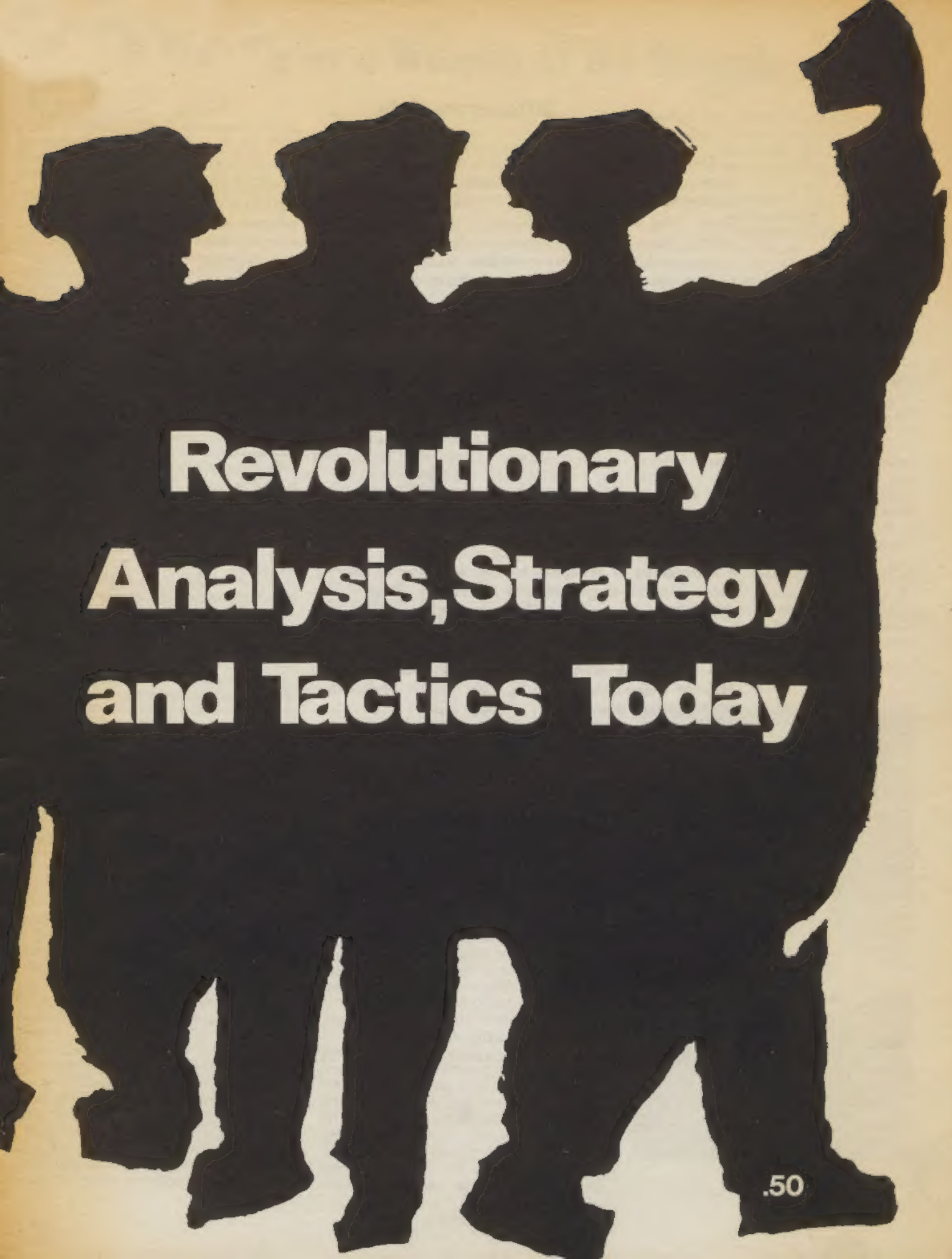
Butz Says High Costs 'Permanent'

Miami

U.S. Secretary of Agriculture Earl L. Butz said yesterday that food prices may begin to level off by the end of this year, but the country will never return to the days of "cheap food."

Commodity Futures: Speculators' Bubble Before the Bust

Nixon says: "We've never had it so good!"



Revolutionary Analysis, Strategy and Tactics Today

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